

## **U.S. Department of Education**

### **Staff Report to the Senior Department Official on Recognition Compliance Issues**

#### **RECOMMENDATION PAGE**

- 1. Agency:** North Central Association Commission on Accreditation and School Improvement (1974/2007)

(The dates provided are the date of initial listing as a recognized agency and the date of the agency's last grant of recognition.)

- 2. Action Item:** Petition for Continued Recognition
- 3. Current Scope of Recognition:** The accreditation and preaccreditation ("Candidacy status") of schools offering non-degree, postsecondary education in Arizona, Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, West Virginia, Wisconsin, Wyoming, and in the Navajo Nation.
- 4. Requested Scope of Recognition:** The accreditation and preaccreditation ("Candidacy status") throughout the United States of non-degree granting career and technical education institutions.
- 5. Date of Advisory Committee Meeting:** December, 2011
- 6. Staff Recommendation:** Deny recognition.

The staff recommendation to deny recognition is based on the agency's continued noncompliance in most sections of the Secretary's criteria. Department staff has serious concerns regarding the agency's ability to come into compliance due to the depth and the extent of issues surrounding the agency's administrative capacity, its establishment and application of the agency's standards, policies, and accreditation processes, and its overall reliability as a recognized accrediting agency and Title IV gatekeeper. Due to the seriousness of the agency's

noncompliance, Department staff also determined that the agency would not be able to demonstrate effective application of the criteria within twelve months or less, and that an extension for good cause is unwarranted.

The agency has demonstrated that it does not consistently follow its own written policies and procedures. The agency was found out of compliance in applicable sections of the criteria not only due to unclear and contradicting policies and procedures but also disregard for its own policies and procedures.

The agency was also found out of compliance regarding the ineffective application of its standards, policies and procedures (particularly with regard to its standards, and decision-making process, but elsewhere as well). The agency has shown that it has been ineffective in its evaluation of institutions under each of the agency's standards, raising serious concerns regarding the validity of the review process to evaluate the quality of postsecondary education.

Overall, the Department continues to have serious concerns with the performance of this agency, and its ability to fulfill its responsibilities as a recognized accrediting agency. In addition to the issues cited here, the overall quality of the agency's submission and response, and the inappropriate responses, information, and documentation that it has provided in its submission, raise serious concerns regarding its understanding of the recognition process and the role of a recognized postsecondary accreditor.

The agency submitted a statement that is included as exhibit 1000, attached to §602.12(b).

7.

**Issues or Problems:**

The agency needs to demonstrate with documentation that licensing bodies, practitioners, and employers have widely accepted the agency's standards, policies procedures, and decisions. (602.13)

The agency needs to demonstrate that it meets the separate and independent requirements in Section 602.14(b). (602.14 (a))

The agency needs to demonstrate that it has effective mechanisms in place to ensure that it vets all nominees to its Board, including the public representatives, to identify potential conflicts of interest impacting eligibility prior to becoming a board member (602.14 (b))

The agency must document that it has a process for selecting site team members who are consistent with agency expectations to ensure the qualifications and competence of all members of site teams. The agency must provide more specific information regarding the content of training

provided to site evaluators. (602.15 (a)(2))

The agency needs to demonstrate that as an agency that accredits institutions that it has processes in place to ensure that it includes academics and administrators on its appeal panel. (602.15 (a)(3))

The agency needs to demonstrate that as an agency that accredits institutions that prepare students for a specific profession or vocation, it has processes in place to ensure that it includes educators and practitioners on its appeal panel. (602.15 (a)(4))

The agency needs to demonstrate that it has processes in place to ensure that it includes public members on its appeal panel. (602.15 (a)(5))

The agency needs to revise its application of the conflict of interest policy and demonstrate that it consistently applies the revised policies to assure the integrity of the policies as applied, specifically to the site visit team members. (602.15 (a)(6))

The agency needs to demonstrate that it has and applies clearly specified (quality) indicators for evaluating its requirement that the institution regularly collect and analyze student outcome data and use the results in institutional assessment and implementing continuous improvement plans. It must also demonstrate that it evaluates an institution's data (both quantitative and qualitative) that it collects in the context of compliance with these standards and indicators.(602.16 (a)(1)(i))

The agency needs to provide evidence that it evaluates and verifies that the curriculum is meeting the requirements designated by the agency's standard. (602.16 (a)(1)(ii))

The agency needs to demonstrate that it has and consistently applies faculty standards adequate to ensure minimum quality levels for faculty teaching postsecondary vocational, career and technical education. (602.16 (a)(1)(iii))

The agency needs to demonstrate that it has established and consistently applies standards pertaining to an institution's facilities, equipment, and supplies. (602.16 (a)(1)(iv))

The agency needs to demonstrate that it is consistent in its application of its student services indicators across institutions. (602.16 (a)(1)(vi))

Staff Determination: The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that its recruitment and admissions standards include established minimum

requirements and demonstrate its effective assessment of institutions against the standards. (602.16 (a)(1)(vii))

The agency needs to demonstrate that it has or uses related or similar industry program length standards or that it has conducted the alternative assessment as required by agency policies in assessing an institution's compliance with its standards on program length. (602.16 (a)(1)(viii))

The agency needs to demonstrate that it incorporates into its accreditation decisionmaking, an assessment of the "track record"/complaint record/history of an institution. (602.16 (a)(1)(ix))

The agency needs to demonstrate that it has implemented its policies and procedures for preaccreditation through application of a decision, which it has failed to do. (602.16 (a)(2))

The agency needs to demonstrate how/that it determines that an institution is successful in achieving its objectives and that it evaluates and verifies during the accreditation process that the institutions' programs maintain certificate requirements that conform to commonly accepted standards. (602.17(a))

The agency must demonstrate that it has and consistently applies a self-study process that requires institutions to conduct a comprehensive in-depth assessment of educational quality. (602.17(b))

The agency must demonstrate that the site teams are appropriately composed with postsecondary administrators and academics, and practitioners and that the agency effectively guards against conflicts of interest and the perception of any conflict of interest. It must demonstrate that all team members receive sufficient training in the interpretation of agency standards and protocols. The agency must also demonstrate that its site team report includes sufficient evidence of its verification of the documentation and the basis for its compliance determinations.. (602.17(c))

The agency must demonstrate that the Board conducts its own analysis of the required documents that contain sufficient information for the Board to determine that the institution complies with the agency's standards. (602.17(e))

The agency must demonstrate that has an effective mechanism for providing an institution with a detailed written report that assesses its compliance/non-compliance with agency standards and an institution's performance with respect to student achievement. (602.17(f))

The agency needs to demonstrate it has written specification of its

requirements to include clear standards. (602.18(a))

The agency needs to demonstrate the effectiveness of its controls by demonstrating consistency in its application and enforcement of its standards, policies, and processes. (602.18(b))

The agency needs to demonstrate effective mechanisms to ensure that the Board has sufficient information on which to demonstrate that its accreditation decisions are based on (compliance with) the agency's published standards. (602.18(c))

The agency needs to provide evidence that it conducts evaluations for accreditation or reaccreditation in compliance with its policies to review an institution every five years. (602.19(a))

The agency must demonstrate that it collects and analyses sufficient information and data to identify problems with an institutions continued compliance with the agency's standards throughout the period of accreditation. (602.19(b))

The agency must demonstrate that it collects headcount enrollment data at least annually. The agency must demonstrate that it reviews the annual headcount data to monitor overall growth at its accredited institutions. (602.19(c))

The agency must demonstrate that it has a written policy defining (reasonable) significant institutional enrollment growth for the purposes of annual monitoring and demonstrate that it monitors the overall growth of institutional enrollment annually, identifies those institutions that experience significant enrollment growth, and monitors, by program, those that experience significant enrollment growth. (602.19(d))

The agency must review and revise its policies to comply with the requirements of this criterion. The agency must also demonstrate its review and determination that institutions found to be non-compliant with agency standards have come into compliance within the timeframes of this criterion. (602.20(a))

The agency must establish policies that reflect that the agency will allow for extensions for good cause as the exception rather than the rule and with case-by-case consideration of its duration. The agency must demonstrate that it has and effectively applies policies for granting extensions or taking immediate adverse action to withdraw accreditation, as appropriate. (602.20(b))

The agency must demonstrate that the agency sought and reviewed input from its communities of interest before developing draft changes to the standards. (602.21(a)(b))

The agency must demonstrate that it notifies all of its relevant constituencies and other interested parties of proposed standards changes, provides an opportunity to comment on the proposed changes, and takes into account any comments on the proposed changes submitted timely. (602.21(c))

The agency must demonstrate that it has policies and procedures for submitting and reviewing substantive change requests that are of sufficient depth and breadth to ensure the quality of the substantive change and to ensure that it has no negative impact on the institution's current offerings and its ability to meet the agency's standards, and that evaluation is consistent. 602.22(a)(1))

The agency must provide further evidence that it has policies which identify those circumstances that it believes may result in the institution morphing into a different institution than that which was previously accredited, that it effectively applies those policies, and that it requires that institutions submit to a full accreditation re-evaluation under those circumstances. (602.22(a)(3))

The agency must clarify in its policies and procedures how it obtains, and assesses, the documentation from an institution and makes a determination of an institution's fiscal and administrative capacity to operate an additional location at which over 50% of a program is offered. In addition, the agency must document and demonstrate its effective application of its additional location review policies and protocols (602.22(c))

The agency must provide documentation of its effective review of an additional location, including a site visit within six months of the establishment of the additional location. (602.22(c)(1))

The agency must clarify what constitutes the review it will conduct of institutions experiencing rapid growth in the number of additional locations and adopt procedures that will establish an effective mechanism for ensuring that institutions that are experiencing rapid growth in the number of additional locations are maintaining educational quality. (602.22(c)(3))

The agency must demonstrate that it has an effective process for collecting substantive information in the required areas for requesting approval to establish an additional location. The agency must also demonstrate that it has an effective process for conducting a site visit at an additional location to ensure that the information upon which the approval was granted is verified and appropriately documented. (602.22(d))

The agency needs to demonstrate that it provides information to the public about the academic and professional qualifications of its staff. (602.23(a))

The agency must demonstrate that it has and applies effective procedures for providing for and receiving third party comments concerning an institution's qualifications for accreditation during the accreditation review process. (602.23(b))

The agency must amend its policy to state it will conduct a site visit within six months of the establishment of a branch campus. The agency must demonstrate that it has procedures for evaluating the business plan and other information that are of sufficient depth and breadth to ensure the quality of the branch campus prior to including it in the institution's grant of accreditation. (602.24(a))

The agency must document that it has and effectively applies, as appropriate, a site visit protocol of sufficient breadth/depth and specificity to identify changes and review the change in ownership and its impact on the institution and its compliance with agency standards and ensures that a new institution is not created as a result nor does the transaction transfer accreditation. (602.24(b))

The agency must demonstrate that it has established and applies agency-developed criteria and procedures in the review of teach-out plans. It also needs to demonstrate that it follows its policies in a consistent manner and bases its determination of compliance on its stated policies. (602.24(c)(2))

The agency must demonstrate that it has established and effectively applies procedures and agency-developed criteria in the review of teach-out agreements. (602.24(c)(5))

The agency must demonstrate its effective application of its transfer of credit policy. (602.24(e))

The agency must establish policies and procedures that will establish an effective mechanism for ensuring that institutions' assignment of credit hours conform with commonly accepted practices in higher education. (602.24(f)(2))

The agency needs to demonstrate that it has and applies its policies and procedures requiring the institution to take appropriate action to address any deficiencies at an institution and to demonstrate that it applies its enforcement of its requirements. (602.24(f)(3))

The agency must demonstrate that it has written policies and procedures compliant with the sections of the criteria pertaining to credit

hours and demonstrate that, upon finding the institution has systemic noncompliance with the agency's written policies or has significant non compliance regarding the assignment of credit hours to one or more programs at an institution, will promptly notify the Secretary.  
(602.24(f)(4))

The agency must establish and effectively apply policies and procedures to ensure that the composition of appeals panels include the specific types of representation required of a decision-making body under the criteria for recognition, based on the type of accreditor the agency serves as for the institution. (602.25(f))

The agency must demonstrate implementation of its policy to provide written notice of positive accreditation decisions to the appropriate accrediting agencies and appropriate State licensing or authorizing agency. (602.26(a))

The agency must demonstrate implementation of its policy to provide written notice of negative accreditation decisions to all the entities required by this section. (602.26(b))

The agency must demonstrate that it clearly allows the affected institution to provide official comment regarding the negative decision. The agency must also demonstrate that it provides a brief statement of the agency's decision and the official comments of the institution, to the entities listed in this section, no later than 60 days after the decision.  
(602.26(d))

The agency must demonstrate implementation of its policy to provide written notice of voluntary withdrawals of accredited or preaccredited institutions to all the entities required by this section within 30 days of receiving notification. (602.26(e))

The agency must revise its policies to meet the requirements of this section. The agency must also demonstrate that it understands and adheres to its responsibilities as a Title IV gatekeeper.  
(602.27(a)(6-7)(b))

The agency must amend all related policies to state unequivocally that it will not accredit any institution that lacks State legal authorization. The agency must provide documentation to demonstrate that the agency confirms that its accredited institutions have legal authorization under applicable State law to provide a program of education beyond the secondary level. (602.28(a))

The agency must provide evidence that it has established procedures for the sharing of information. (602.28(e))

## **EXECUTIVE SUMMARY**

### **PART I: GENERAL INFORMATION ABOUT THE AGENCY**

In April 2006, the Board of Trustees of NCA-CASI entered into an agreement with the Board of Trustees of the Southern Association of Colleges and Schools, Commission for Accreditation of Schools Improvement (SACS-CASI) and the National Study of School Evaluation (NSSE) along with a relationship with the Commission on International Trans-Regional Accreditation (CITA) to create AdvancED.

After signing the agreement that created AdvancED, the NCA CASI Board of Trustees (BOT) continued to make accrediting decisions until June 2007. At that time, AdvancED created the AdvancED Postsecondary Review Council and delegated to this entity accreditation decision-making authority between September 2007 and September 2008. Beginning in September 2008, the AdvancED BOT undertook the decision-making responsibility and made accreditation decisions until February 2011.

In June 2008, AdvancED submitted a petition for initial recognition. That petition was not reviewed before the NACIQI before the reauthorization of the Higher Education Act, as amended in August 2008. The agency resubmitted its petition in June 2010, expecting to appear before the NACIQI at the December 2010 meeting. However, after receiving the draft staff analysis and meeting with Department staff, the agency withdrew its petition, reorganized the NCA-CASI with new By-laws that named the Board of Directors as the decision- and policy-making body.

The agency has rewritten NCA- CASI policies, procedures, and standards as part of the restructuring and took heed of some of the staff guidance provided in the Department's review of the previous draft staff analysis prepared for AdvancED.

On June 8, 2011, AdvancED and NCA-CASI entered into an agreement that authorizes NCA-CASI to continue as the policy and decisionmaking body for the postsecondary education accreditation function.

### **Recognition History**

The North Central Association, Commission on Schools and Improvement received initial recognition in March 1974 for its accreditation of public secondary schools and independent college preparatory schools. It was granted a 2-year recognition and requested to submit an interim report demonstrating compliance with several criteria. In 1976, the agency was granted a renewal of its recognition along with an expansion of scope to include preaccreditation (candidacy), and accreditation of optional and special function secondary and elementary schools.

In January 1987, there was a major change in the Secretary's recognition process and the agency's scope of recognition changed to include institutional accreditation for postsecondary purposes.

In August 1992, the Secretary renewed the agency's recognition for five years, and required the agency to submit an interim report on issues relating to records of student complaints, conflict of interest, and the inconsistent application of its criteria and standards.

In June 1998, the Secretary renewed the recognition of the agency for two years, and required the agency to submit an interim report addressing nearly as many areas in the criteria, as there are in the current analysis of the agency's petition. For example, the agency had to address a number of concerns relating to separate and independent requirements, competencies and training of site evaluators and Board members, competency and qualifications for the policy and decision-making bodies, conflict of interest, the systematic program of review of its standards, conducting its own analysis of the documentation to determine compliance with agency standards, institutional monitoring, program length, student achievement, enforcement of its standards, timelines for enforcement, etc. The agency explained the numerous problems as primarily due to its having developed new standards, policies, and procedures that moved the agency away from compliance with the criteria for recognition.

In 2000, the Secretary renewed the recognition of the agency for three years, and required the agency to submit an interim report demonstrating its enforcement of its standards.

In June 2004, the Secretary deferred the recognition of the agency for twelve months, in order to allow the agency the opportunity to address ten significant issues. The agency explained the problems with compliance as primarily due to its having implemented new standards, procedures, and policies for accrediting postsecondary schools.

In December 2005, after failing to comply with the requirements of the criteria, the Secretary granted the agency a good cause extension based on mitigating circumstances that affected the agency's timeliness for completing the requirements to comply with the remaining issues.

In December 2006, after addressing the two outstanding issues, the Secretary granted the agency recognition for five years. The re-authorization of the HEOA placed a hiatus on petition reviews until the reconstitution of the NACIQI.

In this petition for recognition, the agency is seeking to expand its recognition from its 19-state regional scope to a national scope. The agency is requesting recognition throughout the United States for its preaccreditation (candidacy status) and accreditation of non-degree granting career and technical education institutions.

## **PART II: SUMMARY OF FINDINGS**

### **§602.12 Accrediting Experience**

**(b) A recognized agency seeking an expansion of its scope of recognition must demonstrate that it has granted accreditation or preaccreditation covering the range of the specific degrees, certificates, institutions, and programs for which it seeks the expansion of scope.**

**(NOTE: Only recognized agencies seeking an expansion of scope need to respond.)**

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In support of its request for an expansion of its recognition from regional to national in geographic scope, the agency points to its 37 years of experience with accrediting institutions that offer non-degree programs in vocational education across 19 states.

However, the agency has recently developed new policies, procedures, and standards that are specifically applicable to postsecondary education. The agency has not demonstrated its application of the new policies, procedures and standards for the review and evaluation of postsecondary institutions in its current scope, having piloted only two institutions since restructuring in February 2011. The Department does not believe that the agency has demonstrated sufficiently the application of its recently approved revised standards, policies, and procedures to support its request for an expansion of its scope.

Equally critical, the agency has not provided any evidence that it has projected and planned for the impact of an expansion of the scope of its accreditation activities. It has not demonstrated that it has considered and developed strategies for the successful expansion of its activities and functions associated with the accreditation process such as training, evaluation, reviews, monitoring, as well as expanded administrative and financial capacity to meet the challenges.

**Staff Determination:** The agency does not meet the requirements of this criterion. It needs to demonstrate that it has projected the impact of an expansion of scope on its operation and demonstrate that it has developed effective strategies and plans to ensure the successful expansion and execution of its activities and functions associated with the accreditation process such as training, evaluation, reviews, monitoring, as well as an expanded administrative and financial capacity. The agency also must demonstrate that it effectively applies its policies, procedures, standards and practices for all types of institutions that it accredits outside of its the regional boundaries.

### **Analyst Remarks to Response:**

The agency needed to demonstrate that it has projected the impact of an expansion of scope on its operation and demonstrate that it has developed effective strategies and plans to ensure the successful expansion and execution of its activities and functions associated with the accreditation process such as training, evaluation, reviews, monitoring, as well as an expanded administrative and financial capacity.

The agency outlined its plan to expand its administrative staff to support an expansion of its postsecondary education accrediting function and provided information on how it would fund that increase. Per the agency it will rely on projected application and accreditation fees and on increases in the in-kind contributions from its parent corporation, AdvancED, to support an expansion of the agency's scope. The agency has been found non-compliant under its current scope of accreditation relative to the execution of its activities and functions associated with the accreditation process in the areas of training, evaluation reviews, and monitoring. As a result the agency has not demonstrated that it has the capacity to implement an "exponential" expansion of its activities nationwide and ensure successful execution of all of the required activities.

As a point of clarification, for an agency to demonstrate that it effectively applies its policies, procedures, standards, and practices for all types of institutions that it accredits outside of its regional boundaries is not an impossible hurdle. The agency can accredit outside its region and does not require ED authorization to do this. It is a standard requirement that an agency seeking an expansion of its scope demonstrate that it has granted accreditation covering the range of accreditation activities (range of specific degrees, certificates, institutions, program types and distance and/or correspondence education) for which it seeks recognition. The agency has a history of accreditation and does not have to accredit an institution outside of its current geographic scope.

Recognition affects the ability of an accrediting agency's institutions and programs to participate in federal programs, rather than circumscribing in any way an agency's legal authority to engage in accrediting activities or otherwise conduct its business.

Staff determination: Based on the issues identified throughout the current petition for recognition, at this time, Department staff cannot recommend an expansion of the agency's (geographic) scope of recognition.

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#### **§602.13 Acceptance of the agency by others.**

**The agency must demonstrate that its standards, policies, procedures, and decisions to grant or deny accreditation are widely accepted in the United States by--**

- (a) Educators and educational institutions; and**
- (b) Licensing bodies, practitioners, and employers in the professional or vocational fields for which the educational institutions or programs within the agency's jurisdiction prepare their students.**

The agency has demonstrated acceptance and support of its policies, procedures, accreditation standards and decisions by educators. Agency documentation provides evidence that hundreds of educators volunteer their time and other resources to participate on NCA-CASI evaluation and decision-making bodies and various committees. The agency has participants that include 813 postsecondary educators and administrators from postsecondary career and technical (vocational) certificate-granting schools, Board of Regents administrators, community college faculty members, and state departments of education personnel who have participated in NCA CASI activities over the past five years.

The articulation agreements provided by the agency do not demonstrate support of NCA-CASI, rather they demonstrate acceptance of the institution. However, the number of institutions that seek out NCA-CASI accreditation does represent support of the agency as accreditation is voluntary and institutions have choices among accreditors. The agency accredits approximately 193 education institutions.

The agency has not demonstrated widespread acceptance of the NCA-CASI by licensing bodies, employers, and practitioners. Evidence of a requirement for institutional accreditation by licensing bodies does not translate to acceptance of a specific institutional accreditor (NCA-CASI). Nor does having by-laws that require an employer representative on the Board demonstrate wide acceptance of the agency. Department staff, even after reviewing the exhibits listing the participants of site teams and various task forces, could not identify practitioners in the vocational fields for which the educational institutions within the agency's jurisdiction prepare their students. The agency needs to demonstrate that NCA-CASI standards, policies, procedures, decisions are widely accepted by licensing bodies, employers, and practitioners.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that NCA-CASI standards, policies, procedures, decisions are widely accepted by licensing bodies, employers, and practitioners.

#### **Analyst Remarks to Response:**

The agency's only requirement for this criterion was to demonstrate that its standards, policies, procedures, and decisions are widely accepted by three groups, specifically licensing bodies, employers, and practitioners. The support letters from several schools and one from a group of educational organizations dated 9/12/09 to the Department of Labor referencing a grant application do not demonstrate the required support by licensing bodies for the standards, policies, procedures or decisions of this agency. It is noted that the Automotive Service Excellence is also supportive, however, as an accreditor of a broad spectrum of institutions offering educational programs in many licensed occupations, this is not sufficient to represent broad acceptance. That the Board includes members,

identified as practitioners, and some of whom are employers, to make accreditation decisions, policies, procedures, and standards does not demonstrate wide acceptance of the agency by practitioners and employers. The documentation the agency provided of participation of employers and practitioners on review teams was insufficient evidence of wide acceptance of its standards, policies, procedures and decisions by these groups.

Staff Determination: The agency does not meet the requirements of this criterion. The agency needs to demonstrate with documentation that licensing bodies, practitioners, and employers have widely accepted the agency's standards, policies procedures, and decisions.

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#### **§602.14 Purpose and organization**

**(a) The Secretary recognizes only the following four categories of agencies:**

**The Secretary recognizes...**

**(1) An accrediting agency**

- (i) Has a voluntary membership of institutions of higher education;**
- (ii) Has as a principal purpose the accrediting of institutions of higher education and that accreditation is a required element in enabling those institutions to participate in HEA programs; and**
- (iii) Satisfies the "separate and independent" requirements in paragraph (b) of this section.**

**(2) An accrediting agency**

- (i) Has a voluntary membership; and**
- (ii) Has as its principal purpose the accrediting of higher education programs, or higher education programs and institutions of higher education, and that accreditation is a required element in enabling those entities to participate in non-HEA Federal programs.**

**(3) An accrediting agency for purposes of determining eligibility for Title IV, HEA programs--**

- (i) Either has a voluntary membership of individuals participating in a profession or has as its principal purpose the accrediting of programs within institutions that are accredited by a nationally recognized accrediting agency; and**
- (ii) Either satisfies the "separate and independent" requirements in paragraph (b) of this section or obtains a waiver of those requirements under paragraphs (d) and (e) of this section.**

**(4) A State agency**

- (i) Has as a principal purpose the accrediting of institutions of higher education, higher education programs, or both; and**
  - (ii) The Secretary listed as a nationally recognized accrediting agency on or before October 1, 1991 and has recognized continuously since that date.**
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The agency seeks recognition under category 602.14(a)(1). The documentation shows that 193 schools have voluntarily entered into an accrediting relationship with the agency. The agency's by-laws and policies indicate that its primary purpose is to accredit institutions of higher education that voluntarily seek accreditation for the purpose of participating in Title IV student financial assistance programs.

However, the agency has not satisfied the separate and independent requirements under 602.14(b) below.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. It must demonstrate that it meets the separate and independent requirements under section 602.14(b).

**Analyst Remarks to Response:**

The agency has demonstrated that it has a voluntary membership of institutions of higher education that offer postsecondary vocational education programs designed to enter a skilled occupation to obtain work. According to its by-laws and excerpts, the agency's purpose in ARTICLE III states in part "accrediting institutions of higher education in any and all geographic locations authorized by the U.S. Department of Education, including vocational career/technical education institutions, in order to enable those institutions to participate in one or more federal programs under the Higher Education Act (HEA)." The statements and documentation comply with section (a)(1)(i) and (ii) of this criterion.

The agency must demonstrate that it also satisfies the "separate and independent requirements" to establish that it meets all elements in the Section (a)(1) category of this criterion, including section (1)(iii) to achieve recognition by the Secretary of Education.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that it meets the separate and independent requirements in Section 602.14(b).

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**(b) For purposes of this section, the term separate and independent means that--**

- (1) The members of the agency's decision-making body--who decide the accreditation or preaccreditation status of institutions or programs, establish the agency's accreditation policies, or both--are not elected or selected by the board or chief executive officer of any related, associated, or affiliated trade association or membership organization;**
  - (2) At least one member of the agency's decision-making body is a representative of the public, and at least one-seventh of that body consists of representatives of the public;**
  - (3) The agency has established and implemented guidelines for each member of the decision-making body to avoid conflicts of interest in making decisions;**
  - (4) The agency's dues are paid separately from any dues paid to any related, associated, or affiliated trade association or membership organization; and**
  - (5) The agency develops and determines its own budget, with no review by or consultation with any other entity or organization.**
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(b)(1) NCA CASI's Bylaws states Board of Directors (Board) will not have less than five (5) nor more than seven (7) members; currently the Board consists of seven members. The Bylaws require half of the Board to have professional experience in postsecondary education and at least one public representative.

After reconstruction of the Board in February 2011, the governance policies and procedures required the Board Chair to appoint a Nominating Committee to identify a slate of nominees to fill officer and vacant seats on the Board through a vetting process. The Nominating Committee contacts potential nominees from a variety of sources including current board members seeking an additional term and the broader education, business, and public communities and obtains written certification by each prospective public representative. The Nominating Committee reviews the submitted nomination forms. After the initial installation in 2011, the Nominating Committee shall nominate the candidates for Officers and for subsequent Director candidates no later than June 1 of each subsequent year. The Board of Directors shall elect by majority vote from among the candidates nominated by the Nominating Committee.

(b)(2) The Governance Policies require that at least one Director must be a representative of the public, and the definition complies with the regulatory definition. The form used by the agency fails to obtain sufficient information from prospective nominees regarding whether they meet the definition of a public representative. It is not clear that the agency has effective mechanisms in place to identify and vet public members against the Secretary's definition of a public member. The agency has not identified the two public representatives currently

serving on its Board in its narrative or its exhibits. One current Board member is the CEO of a corporation and presumed to be a public member; he also serves as member of Arkansas AdvancED Council and a member of AdvancED investment committee. Both memberships demonstrate that this Board member serves on committees related to the parent corporation, AdvancED. Another Board member, also presumably a public member, serves on the Board of Trustees for the Southern Association of Colleges and Schools (SACS) and the Board of Trustees for AdvancED, organizations related to the parent organization. Based on the two presumed public members, the agency's public members do not meet the criteria definition of a public member since both serve as board members of related organizations and serve on the decision-making body of the agency.

(b)(3) The agency has a conflict of interest policy covering members of its decision-making body, that seeks to avoid conflicts of interest and to fully disclose any potential conflict when discovered. The policy defines conflict of interest as "an existing or potential financial or other interest which impairs or might appear to impair independent, unbiased judgment in discharging responsibilities on behalf of NCA CASI" and provides a nonexclusive list of "potential financial or other interest[s]." When a potential conflict of interest exists, the person is prohibited from participating in the accreditation process for that school i.e., participating in related financial or other agreements, voting on related matters under consideration or participating in discussions, and being counted in determining a quorum. The agency provided as example a signed statement from a Board member that includes, among other things, any financial or other interests in schools/districts that are accredited or seeking accreditation through NCA CASI; employment or consulting arrangements with schools/districts engaged in the accreditation process; and the seeking of employment or consulting arrangements with schools/districts engaged in the accreditation process. NCA CASI also provided an example of a recusal because of an apparent conflict of interest.

One aspect of the policy shows that the CEO and Board of Trustees for AdvancED make the conflict of interest determinations. This policy needs revising to give oversight to the NCA CASI Board rather than oversight by the CEO or Board of Trustees for AdvancED.

(b)(4/5) The NCA CASI reports that institutions pay dues separately from any dues paid to related, associated, or affiliated trade associations and membership organizations. Through the bylaws and governance policies, the agency reports that the NCA CASI Board of Directors sets and oversees collection of accreditation fees. Specifically, Section 6.02 of the bylaws provides: "Whenever the lawful activities of the Commission involve, among other things, the charging of fees or prices for its services or products, it shall have the right to receive such income. All such income shall be applied to the maintenance and operation of the activities of the Commission . . ." However, the agency submitted the consolidated financial statements for AdvancED covering the 2009 and 2010 fiscal years which specifically provides for it to maintain control over the

interactions of other entities, including NCA-CASI. Accordingly the financial statement notes that as of July 1, 2007, the assets of NCA-CASI were transferred to AdvancED.

The budget provided by the agency, NCA CASI, shows that the agency is a division of AdvancED and as such lists its proposed expenses and revenues for the 2011-2012 fiscal year, beginning July 1, 2011. While the budget projects nearly a \$16,000 surplus after expenses, it does not indicate the amount of the in-kind services provided by AdvancED as described in the June 8, 2011 agreement between AdvancED and NCA CASI. Neither the narrative nor the exhibits demonstrate the process by which membership dues are assessed and paid separately to the agency from any dues that the accredited or preaccredited institutions may pay to the related, associated, or affiliated membership organization, AdvancED. Additionally, the agency does not describe and demonstrate how the NCA CASI Board sets and collects dues and fees from its member institutions separately from AdvancED.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to identify its public members and demonstrate that it has an effective mechanism to ensure with documentation that they meet the definition of a public member as required. Additionally, the NCA CASI conflict of interest policy must be revised to demonstrate that AdvancED has no oversight over the conflict of interest policy for the Board of NCA CASI. Finally, the agency has not demonstrated that its membership fees are developed and received separately from AdvancED.

#### **Analyst Remarks to Response:**

Section 4.03 in Article IV of the bylaws defines a public representative as follows; “The definition of a Public representative means a person who is not (1) an employee, member of the governing board, owner, or shareholder of, or consultation to, an institution or program that either is accredited or preaccredited by the agency or has applied for accreditation or preaccreditation; (2) a member of any trade association or membership organization related to, affiliated with, or associated with the agency; or (3) a spouse, parent, child, or sibling of an individual identified in section (1) or (2) of this definition”.

The agency has revised its conflict of interest policy to include the various kinds of conflict of interest that would preclude the individual from participating in an institutional review or making an accreditation recommendation or decision on an institution, consistent with its policy and section 3 of this criterion.

However, the revised nomination form the agency now uses to vet nominees does not appear to ask for sufficient information to rule out conflicts of interest that may preclude a persons eligibility to be seated on the Board such as questions that would provide sufficient information to allow the agency to not only determine whether a conflict of interest exists because of an affiliation with an related, associated or affiliate trade association or membership organization in its vetting process. The same is true for the vetting of a public representative

nominee to the Board. Exhibit 323 does not appear useful as an effective mechanism for the agency obtain information to examine the qualifications of nominees to the board, including the public representative, during the vetting process.

The agency has a conflict of interest policy that requires the Board to declare the existence or lack of a conflict during the decision-making. Department staff observed the Board members execute the conflict-of-interest documents during the Board meeting on September 2011; the agency submitted execution evidence with its response.

The agency submitted documentation that it now maintains an operation and budget to carry out its accrediting activities, separately from its parent, AdvancED, as provided Article VI of the NCA-CASI by-laws adopted in February 2011. The by-laws authorize NCA-CASI to receive gifts, devises, bequests and contributions in any form, charge and receive fees for its services and to apply them to the maintenance and operation of the Commission. To demonstrate the independence of its budget, the agency provided a copy of its approved budget covering July 1, 2010 through June 30, 2011 with actual budgeted activities through May 31, 2011, the proposed budgets for 2011-2012 and the out-years covering 2012, 2013, and 2014, that demonstrated a movement from deficit financing in 2009-2010 to a small projected surplus in the current fiscal year.

The budget and projected budgets along with the sample check payable to NCA demonstrates that the agency directly receives fees from institutions, pursuant to the written service agreement with AdvancED, signed on June 8, 2011. The proposed budget for 2011-2012 school year includes the value placed on the in-kind services provided by AdvancED with line items that include facilities and two categories for administrative expenses. In addition, the executed agreement identifies that the types of in-kind services that AdvancED will continue to provide to NCA-CASI until January 1 2017, "unless renewed for another 5-year term by written agreement of the Parties". The limitation to services and resources that AdvancED may provide to NCA-CASI is restricted to the provision of accreditation services to postsecondary non-degree granting institutions by NCA-CASI.

Staff Determination: The agency does not meet the requirements of this section. The agency needs to demonstrate that it has effective mechanisms in place to ensure that it vets all nominees to its Board, including the public representatives, to identify potential conflicts of interest impacting eligibility prior to becoming a board member.

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#### **§602.15 Administrative and fiscal responsibilities**

**The agency must have the administrative and fiscal capability to carry out its accreditation activities in light of its requested scope of recognition.**

**The agency meets this requirement if the agency demonstrates that--**

**(a) The agency has--**

**(2) Competent and knowledgeable individuals, qualified by education and experience in their own right and trained by the agency on their responsibilities, as appropriate for their roles, regarding the agency's standards, policies, and procedures, to conduct its on-site evaluations, apply or establish its policies, and make its accrediting and preaccrediting decisions, including, if applicable to the agency's scope, their responsibilities regarding distance education and correspondence education;**

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**Board:**

The current Board of Directors is comprised of seven individuals; one of whom must be a public member. The governance policies describe the experience required of the members of the NCA-CASI Board. While its policies require the Board to have collective experience and education in a variety of areas; a majority of the Board (3-4 members depending on the actual size of the Board that may fluctuate between 5-7 members) must have professional experience in postsecondary education though not necessarily postsecondary vocational and career education. The policy continues to say that if there is a vacancy that results in less than half of the Board having postsecondary education experience, the Board may continue to function. Staff is concerned that, by agency policy, the composition of the Board does not ensure sufficient depth of knowledge and experience on the Board in the area of accreditation (non-degree, postsecondary, vocational/technical education) for which it is recognized. The agency needs to demonstrate that its decision-making body has significant depth of knowledge and experience in the area of non-degree, postsecondary vocational/technical education accreditation.

The agency documentation indicates that it had provided training on its standards, policies, and procedures to the new members of the NCA-CASI Board. However, the documents cited as Board member training do not include sufficient information to assess the training conducted by the agency. The agency needs to provide more complete documentation of the training it has conducted.

**Appeals Panel:**

The agency has documented that it has policies regarding the composition of an appeals panel and selection criteria. However, it unclear what process the agency uses to identify and select appeal panel members. While the agency provided an agenda of a meeting of three potential appeal panel members; it is not clear whether this meeting was a training activity. The agency needs to provide additional information and documentation of its procedures for selecting and training appeal panel members

**Site Team members:**

The agency has written policy regarding the qualification and selection of team members that includes "pertinent" education, "significant" experience, and licensure /certification, if applicable to the subject area. However, the agency has not documented that it defines more specifically these selection criteria. As the agency tasks its member institutions to select and forward names of two employees to be included in the site team pool, it is not evident that the member institutions make selections consistent with agency expectations to ensure the qualifications and competence of all members of site teams. In addition, the agency provided two listings of team participants (1229 and 600+) that it states underwent training. However, the agency did not provide training documents that include sufficient information to assess the training that the agency conducted. The agency needs to provide more complete documentation of the mode and content of the site team training it conducted. The documentation for site visit training does not appear to have a systematic and recurring theme.

While the agency narrative addresses qualifications for distance education reviewers, the agency's scope does not currently include the evaluation of distance education.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that the composition of its decision-making body has significant depth of knowledge and experience in the area of accreditation (non-degree, postsecondary, vocational/technical education) for which it is recognized. In addition, the agency needs to provide more complete information and documentation regarding the training it conducts for all members of the Board, Appeals Panel and site teams and chairs. Finally, the agency needs to document that it has a process for selecting site team members that are consistent with agency expectations to ensure the qualifications and competence of all members of site teams and decision-making bodies.

**Analyst Remarks to Response:**

**Board Members:** The agency amended its bylaws (section 4.03) to clarify that a majority of its members must have demonstrated the competence and knowledge in the career and technology postsecondary experience to be eligible as a Board member. To ensure that the agency's training of Board members included the review of the agency's standards, policies and procedures, the agency provided three documents that exemplify the areas targeted in the training supported the agency's response through its exhibits 343, 344, 345a, 345b, and 345c. The documents within the training books include the agency's policy book, the Department's August 2010 Accreditation Guide, various forms used by the agency staff, Board members, and institutions, i.e., site visit request forms, standards and indicators, accreditation draft progress report, a power point presentation training institutions on what to prepare and how to submit an annual report information, and a postsecondary resource listing.

**Appeals Panel:** The agency has amended its policies to create a standing

Appeals Panel Committee (APC) of five who are knowledgeable about postsecondary education requirements confirmed by the Board. The members of the APC include individuals with postsecondary career and technical experience and based on their bio sketches qualify as practitioners, educators/academics, and administrators. The Appeals Panel Committee training agenda shows this committee met for training on conflict-of-interest, appeal panel decisions, and discussed the wording of appeals decisions on February 2, 2011. As part of the training the panel is referred to Section 12 of the training materials in book two, which is a resource listing for the agency.

The agency has expanded its policy regarding the selection of site visitors to include definitions for academic and administrative personnel. However, the agency has not addressed the Department's concern with the agency's process for identifying individuals to be in its site visitor "pool". The agency tasks its member institutions to select and forward names of two employees to be included in the site team pool. While the agency policy is that school administrators are to make their selections based on "education pertinent and significant experience", the agency has not demonstrated that it provided sufficient guidance on what the agency considers to be necessary in terms of that education and experience or other quality factors/traits important for an evaluator to have in assessing education institutions/programs against agency standards.

The agency provided the training schedule for 2011, in which it has scheduled training for each month except July 2011 and a list of schools that sent representatives to attend the training or planned to attend training includes accredited, candidate, and applicant institutions, which must attend prior to serving on an institution's evaluation team, subject to the approval of the institution. The agency has not sufficiently demonstrated the training provided to site evaluators.

**Staff determination:** The agency does not meet the requirements of this section. It must document that it has a process for selecting site team members who are consistent with agency expectations to ensure the qualifications and competence of all members of site teams. The agency must provide more specific information regarding the content of training provided to site evaluators.

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**(3) Academic and administrative personnel on its evaluation, policy, and decision-making bodies, if the agency accredits institutions;**

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The criterion expects the agency to demonstrate that the Board and Appeals Panel who make accrediting decisions and policies, and the site team members and other reviewing bodies who evaluate institutions include academics and administrators on each body. The agency has not made it clear that the entities listed, include both academics and administrators. Specifically, the agency has not demonstrated that it has defined "academic" and "administrator" (contrary to

what the narrative says, Policy 6.03 does not contain these definitions) and applied those definitions to members of its Board, the Appeal Panel, and the site teams. The agency also needs to demonstrate that its site team pool identifies and includes sufficient numbers of qualified individuals in each category to ensure that each site team will be composed appropriately with academics and administrators and provide documentation that its site teams are composed accordingly.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that its evaluation, policy and decision-making bodies (including the appeals panel) have both academic and administrative personnel.

**Analyst Remarks to Response:**

After amending its bylaws and policies to ensure that the Board and Appeals Panel Committee now include academics and administrators as defined, the agency included brief biographical information on each member of the Board and Appeals committee to demonstrate their representative capacities as an academic or administrator. However, the revision to the agency policies pertaining to the composition of the appeals panels that establishes that the agency selects individuals on a random basis, does not ensure that its appeals panel will include both academic and administrative personnel, if the agency is serving as an institutional accreditor for the institution under appeal. The site team reports provided as documentation reflect that site teams include academics and administrators.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that as an agency that accredits institutions that it has processes in place to ensure that it includes academics and administrators on its appeal panel.

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**(4) Educators and practitioners on its evaluation, policy, and decision-making bodies, if the agency accredits programs or single-purpose institutions that prepare students for a specific profession;**

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The agency is an institutional accreditor of postsecondary institutions that offer vocational education programs that prepare students for a specific profession or vocation. Therefore, its scope of recognition requires that it have practitioners on its decision-making and evaluation bodies. With the exception of the Appeals Panel, the listings for the Board and evaluators do not clearly identify the various positions they hold as participants in the accreditation process. In addition, the agency has not demonstrated that it has implemented its policies to ensure that practitioners serve on the Board and evaluation teams.

**Staff Determination:** The agency does not meet the requirements of this section

of the criteria. The agency needs to demonstrate that as an agency that accredits institutions that prepare students for a specific profession or vocation, it includes practitioners on its evaluation teams and decision and policy-making bodies.

**Analyst Remarks to Response:**

The additional information provided evidence that the Board and the site evaluation teams include practitioners.

However, the revision to the agency policies pertaining to the composition of the appeals panels that establishes that the agency selects individuals on a random basis, does not ensure that its appeals panel will include both educators and practitioners, if the agency is serving as a programmatic accreditor for the sole purpose institution under appeal.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that as an agency that accredits institutions that prepare students for a specific profession or vocation, it has processes in place to ensure that it includes educators and practitioners on its appeal panel.

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**(5) Representatives of the public on all decision-making bodies; and**

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The agency's bylaws and governance policies appropriately address the requirements for members of the public to serve on the appeals panel and the Board of Directors. Of the seven members of the Board, the agency asserts that it has two public representative members. The agency has also developed an information questionnaire for vetting an individual's qualifications to serve on the Board as a regular member or public representative. After reviewing the form, the Department does not see any mechanism that enables the nominating committee to determine whether the individual meets the definition of a public representative as defined by its policies or this criterion. For example, the agency lists all Board members, their work experience and background in its exhibits. It appears that one of the two public members has an affiliation with the parent corporation, AdvancED. The public member has a listing in the biographical sketch showing current membership on the "Arkansas AdvancED Council and the AdvancED investment committee." One provision in the bylaws and governance policies require that the public representative may not be a member of any trade association or membership organization related to, affiliated with, or associated with NCA-CASI, including AdvancED.

The agency also states that it has another public representative on its Board, but failed to identify that individual or provide evidence that his/her qualifications included a vetting that concluded that the individual met the requirements of a public representative. The appeals panel membership includes three persons at

present; however, the agency did not identify the public member or provide evidence that it vetted the individual according to its policies and by laws. The agency needs to do so.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. It needs to identify its public representatives on the appeals panel and the Board of Directors. In addition, it needs to provide evidence that each of the public members meet the definition in its governance policies, by-laws, and in this criterion.

**Analyst Remarks to Response:**

The agency documentation provided in its response included the updated policy and bylaws describing who can serve as a public representative.

The revision to the agency's policies pertaining to the composition of the appeal panels that establishes that the agency selects individuals on a random basis, does not ensure that its appeals panel will include both educators and practitioners, if the agency is serving as a programmatic accreditor for the sole purpose institution under appeal.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that it has processes in place to ensure that it includes public members on its appeal panel.

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**(6) Clear and effective controls against conflicts of interest, or the appearance of conflicts of interest, by the agency's--**

- (i) Board members;**
  - (ii) Commissioners;**
  - (iii) Evaluation team members;**
  - (iv) Consultants;**
  - (v) Administrative staff; and**
  - (vi) Other agency representatives; and**
- 

The agency has developed policies that include specific, but not exclusive, examples of the kinds of conflicts that would represent recusals from participating in any accreditation activity with a bias or appearance of an existing bias. For example, the policy states, "A NCA CASI representative shall be considered to have a possible conflict of interest if such individual has an existing or potential financial or other interest which impairs or might appear to impair independent, unbiased judgment in discharging responsibilities on behalf of NCA CASI." In addition, a sample of individuals from the groups listed in this criterion has executed a conflict-of-interest form.

However, the team roster for a site team, provided as documentation in this

petition reflects that the team members come from the same state and two of the members are employed at the State Department of Education. This appears to be a conflict of interest or, the perception of a conflict of interest. There was also no evidence in the site team process that the team members comply with the agency procedures regarding conflict-of-interest. The agency needs to demonstrate that its site teams are constituted in a manner that guards against perceptions of conflict of interest and those mechanisms to ensure against conflict of interest are enacted and documented.

The agency provided a copy of the conflict-of-interest/code-of-ethics template and a copy of the form executed by each of the individuals listed in this criterion, but did indicate that it has applied the policy to each of these groups. Exhibit 47, attempts to provide evidence of a recusal by one Board member, but when opened by ED, the exhibit is of the plan to reorganize. However, Department staff attended the Board's decision meeting on September 20, 2011 in Alpharetta, GA, and observed one of the Board members recuse herself from the decision based on having had recent accreditation experience with the School under the Board's review.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. It needs to demonstrate that it effectively applies its conflict of interest policies to ensure against the perception of conflict of interest in its activities, specifically, the composition of its site teams.

#### **Analyst Remarks to Response:**

In its response, the agency has demonstrated its misunderstanding of the application of its conflict of interest policy where state agency employees participate on the agency's site visit teams in the same state. For example, the agency provided Exhibit 47, a December 10, 2010 letter from two voluntary site evaluators who are Regent members of a state agency with oversight responsibilities for the technical adult work force schools offering postsecondary vocational education programs accredited by the agency. Recognizing the potential conflict of interest, each Regent site team evaluator informed the agency that they would not participate in site visit evaluations of schools located in their state. The actions of these evaluators reflect a specific understanding of "conflict of interest" as that concept is generally understood and accepted by and among recognized accrediting agencies. Bias, or the perception of bias, is inherent in any purported third-party evaluation of a program or institution by an individual who holds supervisory responsibility for the operation of the program or institution. The agency's response, however, repudiates this understanding by two of its own evaluators. Further the unsigned and undated agreement (Exhibit 351) offered to demonstrate joint visits with Oklahoma, offers no support for demonstrating that no conflict of interest exists when state employees, who have oversight authority over the state schools the agency accredits, are permitted to serve on its site visits teams. In addition, the agency referred to the practices of a state approval agency recognized by the Secretary under the criteria in section 603 that uses a cadre of voluntary site visitors from other schools located in the state to support the two West Virginia employees with oversight over career and

technical schools that offer postsecondary vocational education programs. The Secretary's state approval criteria for recognition of State agencies for approval of public postsecondary vocational education is located in Section 603 and does not apply to accrediting agencies responding to the criteria in section 602, applicable only to accrediting agencies.

It's clear that the competing interpretations of its conflict of interest policy, particularly as applied to site visitors, demonstrate inconsistencies resulting in the ineffective application of that policy, potentially leading to bias and partiality to in the review process.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to revise its application of the conflict of interest policy and demonstrate that it consistently applies the revised policies to assure the integrity of the policies as applied, specifically to the site visit team members.

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#### **§602.16 Accreditation and preaccreditation standards**

**(a) The agency must demonstrate that it has standards for accreditation, and preaccreditation, if offered, that are sufficiently rigorous to ensure that the agency is a reliable authority regarding the quality of the education or training provided by the institutions or programs it accredits. The agency meets this requirement if -**

- (1) The agency's accreditation standards effectively address the quality of the institution or program in the following areas:**

- (i) Success with respect to student achievement in relation to the institution's mission, which may include different standards for different institutions or programs, as established by the institution, including, as appropriate, consideration of course completion, State licensing examination, and job placement rates.**
- 

The NCA CASI adopted new standards on March 31, 2011. These standards provide clarifying indicators/criteria that more explicitly state the agency's expectation for its accreditation of non-degree postsecondary vocational education institutions. The agency has numerous indicators under each standard in the area of student achievement. These include, for example, requiring institutions to include quantitative measures in the areas of licensure/industry certification, graduation, and placement rates, to include different standards for different programs, to regularly collect and analyze student outcome data and use the results in institutional assessment and implementing continuous improvement plans, and to be held to state/industry established achievement rates, as applicable. However, it does not appear that the agency has established clearly defined quality thresholds to determine compliance with these standards and criteria. Indicator 3.38 says each institution will receive (from NCA-CASI) established composite expected student

achievement rates . . ." But we have no evidence that this has been done.

The Self Assessment Report prepared by the pilot school (Exhibit 81) rated itself as operational or highly functional regarding student achievement although it has not established benchmarks and plans to do so only after the nursing program receives accreditation. Many of the statements throughout the self assessment express future planning rather than a documented verifiable assessment of the current situation at the institution. The institution has not provided evidence of its assessment of student outcomes. The institution's response to the requirement for institutional assessment (Standard 4) using student outcomes raises concern, as many of the indicators appear focused on secondary rather than postsecondary outcomes. At this time, there is no evidence of how the agency evaluated this institution against its standards; the agency has not provided a site team report or Board decision on this institution. The sample site team report developed to assess the postsecondary standards for another institution (Exhibit 98) does not include enough qualitative information regarding the student achievement and evaluation standards and indicators on which to base an assessment of the quality of the institution. For example, the site team report prepared under the new standards and provided with the petition identifies low licensing exam pass rate data but does not cite this as a compliance issue.

The other documentation provided does not reflect the agency's application of its current standards and was found insufficient as a demonstration of compliant application of the agency's standards in its previous submission.

More specifically, the QAR reports prepared under the AdvancED standards in 2009 insufficiently convey whether the review of the institution was at the postsecondary level. At the time of the site visit, AdvancED/NCA-CASI used the same standards to review secondary and postsecondary institutions, and clearly did not indicate whether the credentials earned, graduation rates, and placement applied to the postsecondary graduates. There was no indication that the agency had in place established procedures, guidelines, or standards that it used to measure the effectiveness of the institution's use of student outcomes i.e., whether the agency or institution had expectations based on the external and internal sources for postsecondary vocational education.

The agency provided a snapshot summary of a QAR report that included the rates for completion (graduation), licensing/exam, and placement. Although the site team recorded the school's results in the report summary and the agency's narrative reports the collective student performance rates obtained from institutions over a four year period, it did not demonstrate that it (or the school) had established thresholds and evaluated the extent to which its performance met institutionally established goals or the institution effectiveness/improvement plan of the postsecondary institution.

The agency's evidence to support that it assesses student achievement based on student achievement standards lacks clear evidence of implementation that it has reviewed student achievement under the new standards. The evidence supplied in the other reports clearly indicate that it had no student achievement

benchmarks of its own, the schools that reported licensure, completions, and placement rates did not have a means to determine and measure success rates.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that it has clearly defined and measurable, quantitative and qualitative student achievement standards for non-degree postsecondary vocational education and demonstrate effective application of the standards.

**Analyst Remarks to Response:**

The agency does not meet the requirements of the criterion.

The agency has numerous indicators under each standard in the area of student achievement. These include, for example, requiring institutions to --- include quantitative measures in the areas of licensure/industry certification, graduation, and placement rates; include different standards for different programs; regularly collect and analyze student outcome data and use the results in institutional assessment and implementing continuous improvement plans; and be held to state/industry established achievement rates, as applicable.

The agency's policy 12.03 provides that the NCA CASI Postsecondary Office will annually set student achievement rates for student completion, job placement and licensure pass rates at one (1) standard deviation below the mean of all NCA CASI postsecondary institutions. At the September 2011 meeting observed by Department staff, the NCA-CASI Vice President reported on the student achievement rates for the 2010-2011 year. After the Vice President's presentation and recommendation to the NCA-CASI Board of Directors, the Board voted to adopt the student achievement rates for the 2010-2011 year for the completion, placement and licensure pass rates. After the vote establishing the quantitative thresholds, the Board voted to place 33 schools on probation and notified the institutions of their status. The agency submitted 3 sample letters sent to schools notifying them of the probation status decision rendered at the September 2011 board meeting. The letters show that the Board placed schools on probation if the performance rates fell below the established annual rates for Licensure/Exam Pass Rates and above the established Student Loan Default Rates, according to its policy 12.03 and required the schools to submit a plan within 60 days.

The agency has not demonstrated that it has and applies clearly specified (quality) indicators for evaluating its requirement that the institution regularly collect and analyze student outcome data and use the results in institutional assessment and implementing continuous improvement plans.

The agency has not demonstrated it reviews the institutionally set quantitative measures of completion, licensure, and job placement that it requires an institution to establish to determine that they reflect the agency's expectations for student outcomes achievement and are appropriate to the occupation or industry conditions. For example, the agency's review of one institution against this

measure focused only on whether the institution tracked and shared information, ("Reviewed tracking of student performance measures including attendance, completion rate, graduation rate, grades, and technical competencies. These results are also compiled and shared with all parties.") There is no evidence of a quality assessment.

The agency requires institutions to meet state and industry standards for student achievement. However, the agency did not provide evidence illustrating that it knows what are the standards set by each state nor is there evidence that it has applied them in its assessment of institutions for accreditation.

**Staff determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that it has and applies clearly specified (quality) indicators for evaluating its requirement that the institution regularly collect and analyze student outcome data and use the results in institutional assessment and implementing continuous improvement plans. It must also demonstrate that it evaluates an institution's data (both quantitative and qualitative) that it collects in the context of compliance with these standards and indicators.

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**(a)(1)(ii) Curricula.**

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The agency has curricula standards and indicators under its teaching and learning standard. It has provided review elements and mechanisms to guide institutions toward structuring curricula that integrate academic knowledge and skills as specified by specific industry standards, credentialing entities, state program requirements, and constituent/technical advisory committees in each technical/vocational program offered. The agency requires institutions to state clearly the objectives for each course through syllabi, course sequencing, content, etc., and to ensure that the curriculum for each program correlates to the mission of the institution.

The agency has provided a self-study and a site team report under its new standards to demonstrate its assessment of its curriculum standards. These documents do not provide sufficient evidence of the assessment or that the assessment is of sufficient rigor. It is unclear, for example, how the agency assesses the extent to which an institution's curriculum meets industry standards so as to lead to a conclusion, such as is found in the team report for the Ralph Willis Career and Technical Center, that "all postsecondary career and technical programs lead to recognized industry credentials and curriculum follows these credentialing agency requirements for program hour requirements, standards, and compliance areas for specific programs." In other words, what is the evidence that the curriculum meets the industry standards? How does the site team validate its conclusions?

The agency has not demonstrated effective application of its curriculum

standards in its review and accreditation decision-making.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate how the agency assesses the extent to which an institution's curriculum meets industry standards. The agency must demonstrate effective application of its curriculum standards in its review and accreditation decision-making.

**Analyst Remarks to Response:**

The agency has multiple indicators to include a requirement that course/program content and flexibility in sequencing support career-technical postsecondary learner achievement and are based on state requirements, industry certificates and degrees, and industry credentials and standards. However, the agency has not demonstrated that it consistently evaluates and verifies that an institution's curricula do conform to state and industry standards, as applicable. It is not sufficient to have an institution self report that it meets industry standards (as is reflected in Exhibit 389) or for the agency to solely identify the name of the industry and/or its standard scheme as is noted in many of the site team reports. The agency has provided insufficient evidence that or how it consistently assesses whether and to what extent the curriculum conforms to the agency's requirement that program content is based on industry standards. There is also no evidence that the agency is assessing and making determinations of the extent to which an institution's programs that do not have recognized industry standards are meeting accepted competency requirements.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to provide evidence that it evaluates and verifies that the curriculum is meeting the requirements designated by the agency's standard.

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**(a)(1)(iii) Faculty.**

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The agency's revised standards and 10 indicators address credentials, experience, competence to teach and classroom performance, use of student output and achievement data to inform professional development needs, faculty/student ratios as applicable, the faculty role in curriculum review and development. While some of the indicators are defined clearly, it is unclear that the agency has established parameters of quality or otherwise makes a determination of what is acceptable in other areas such as number of faculty, faculty roles and student achievement data to inform professional development needs.

The sample site team report developed to assess the postsecondary standards does not include enough qualitative information regarding the faculty standard and indicators on which to support the determinations as an assessment of

quality.

In addition, some of the documentation provided by the agency does not show the agency's application of its current standards. The sample site visit excerpts demonstrate a review using its previous standards and do not address all of the current indicators. The site team reports do not provide sufficient information of how the site team came to its determinations in many areas.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to clearly define its expectations regarding its faculty indicators and document its effective application of its Faculty Standard in making accreditation decisions.

**Analyst Remarks to Response:**

The agency's response to the draft staff analysis demonstrates that it does not understand the essence of the Department's expectation. The agency must do more than report descriptions of the institution, the agency is expected to demonstrate its assessment of the information against its standards. In this section, the agency is expected to have quality standards regarding faculty qualifications to teach vocational-technical education. If the agency relies on state approval agency requirements, then the agency needs to identify what the state agency requirements are and demonstrate how it determines whether the faculty complies with the state faculty requirements. Where no state requirements exist, the agency must have established its own set of specific threshold expectations for faculty qualifications. If the agency is using industry requirements, the agency must be able to demonstrate what those are and that they are applied consistently to ensure consistent review of faculty. Much of the information the agency provided in its narrative and documentation show that the site team noted the existence of a credential but there is no consistent assessment of whether having a license fully represents expected quality of faculty. The agency failed to demonstrate compliance with creditable documentation and evidence.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it has and consistently applies faculty standards adequate to ensure minimum quality levels for faculty teaching postsecondary vocational, career and technical education.

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**(a)(1)(iv) Facilities, equipment, and supplies.**

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The agency has revised its standards to indicate specifically its expectations regarding how institutions may comply with the facilities, equipment, and supplies standard and indicators. To document its application of the new standards, the agency only has implemented this new standard with one school self study and one site visit report (QAR). The self-study completed by the

school does not align with the standards document in this area; does neither the self-assessment nor the site team report provide a qualitative assessment of the facilities standards. The sample site team report developed to assess the postsecondary standards does not include enough qualitative information regarding the facilities, equipment, and supplies standard and indicators on which to support an assessment of quality.

As the breadth and depth of the site team reports is inconsistent, it is not evident what is the agency's threshold for compliance with its standards. The agency needs to demonstrate that it is consistent in its application of its standards. Also, the team report reflects inconsistencies in the assessment. For example, the team report states that the phone system presents a safety issue but the indicator relevant to safety hazards and deficiencies were rated as meeting the indicator. The report identifies a number of proposed or future acquisitions, such as the phone system, and on that basis, concludes the institution meets the expectation. The expectation for a recognized accreditor is for the agency to make determinations based on the current status of compliance with agency standards, not on plans for future compliance.

The examples of self-study and team reports created under the former standards do not demonstrate the agency's effective application of compliant standards. The descriptions do not clearly align with the standards and quality expectations for this standards area.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it has established and consistently applies facility standards to institutions using the revised postsecondary standards to review facilities, equipment, and supplies. It also needs to correct discrepancies across its documents and accreditation materials in the codification of its standards.

**Analyst Remarks to Response:**

The agency requires that an institution maintains "sufficient physical resources, including classroom/laboratory space, library offerings, equipment, and supplies required by business industry standards and program accrediting bodies, to achieve the institutional or programmatic mission and goals and accommodate students."

The agency provided insufficient evidence of its review and qualitative assessment of its standard, and particularly in areas of library offerings, equipment, and supplies required by business industry standards and program accrediting bodies.

The agency has not demonstrated that it has developed a set of minimum quality expectations for evaluating the physical resources, including classroom/laboratory space, library offerings, equipment, and supplies of its institutions and their programs. While the agency states that it expects institutions to maintain equipment, and supplies required by business industry

standards and program accrediting bodies, it is not evident that the teams have those standards at the time of the visit and are assessing against them. It is also not evident that teams consistently include subject/occupational specialists on the teams with current working knowledge of those industry standards.

The additional documents are not persuasive. They do not establish that the agency has and consistently applies quality standards in its assessment of institutions for accreditation.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it has established and consistently applies standards pertaining to an institution's facilities, equipment, and supplies.

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**(a)(1)(vi) Student support services.**

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The agency has established standards and indicators in the area of student support services (4.33-4.36 under Standard 4). . However, it has not demonstrated its effective application of these standards. For example, the two self-assessment documents submitted by the agency represents the responses provided by schools under Standard 5 rather than Standard 4. The agency needs to correct the misalignments of standards and indicators across documents and correct discrepancies.

One example of the major concern Department staff has with this agency and its application for recognition is located under the "brief comments section" of the self-assessment in which the school stated, "A strong Special Services program exists for all students in secondary and postsecondary programs". Also, apart from a brief paragraph in the self-assessment extolling the Guidance Department, the expansion of the Special Education Department, the listing of activities it hopes it can offer and its belief that good things can happen in Career and Technical Education and hopes that all students are given the opportunity to be successful and have the skill set necessary to be productive citizens within a global society, the agency nor the institution have identified and assessed the institution's postsecondary education.

The recognition of any accrediting agency by the Department is for its accreditation of postsecondary education. The continuing inability of this agency to separate its secondary from its postsecondary accrediting activities, as evidenced here and in the analysis of §602.17(b), calls into question the validity of the information and data provided by the institutions it accredits and/or the agency's assessment of it.

The agency provided a site visit report assessing an institution against the agency's postsecondary standards. However, the site team report developed to assess the postsecondary standards does not provide an adequate assessment

of the agency's standards for student support services. One indicator expects the institution to ensure that each postsecondary education student has access to needed guidance that includes academic, career, and personal counseling, appraisal, mentoring, referral, financial aid, educational and career planning and employment assistance. The team report reported that "there is no counselor on-site, there is a mental health clinic next door that the school used for adults with those needs" Based on the indicator and the comment of the team, it is unclear how the team came to the conclusion that the institution met the indicator.

**Staff Determination:** The agency does not meet the requirements of this criterion. It needs to demonstrate that it has and effectively applies the standard pertaining to student support services for postsecondary education as part of its assessment of the institution seeking accreditation.

#### **Analyst Remarks to Response:**

To clarify the Department's concerns regarding the extent to which the agency accredits secondary institutions; first, there is nothing to preclude an institution from serving students at the secondary level. However, the Secretary's recognition under Title IV of the HEA, as amended, is limited to postsecondary education, and includes career and technical education at that level. When the agency reports factual information that raises a question about the application of an agency's review at the secondary level, the Department must inquire and the agency needs to be responsive. The Department notes that until the agency revised its standards, it admitted that it did not distinguish the standards applied to secondary and postsecondary career and technical education.

In its response, the agency provided additional documentation of its application of its student support services indicators. One document (exhibit 369e), a Quality Assurance Review Team Report, indicated by a checkmark that the institution met the indicators and included a brief comment that "Adult student support services are available, but counseling access could be improved. Some student interviews indicated a need for more financial aid counseling." A second QAR (exhibit 367) contained an overall comment that "Student support services are delivered by administration and faculty" and provided information about support for students with special academic needs. The third QAR (exhibit 365f) focused primarily on academic counseling and identified a need for the school to "invest some time determining ways in which the school could possibly accommodate a prospective student with a disability." The other documents are excerpts from different sections of the database, several of which duplicate the information in the team reports. It was not possible to ascertain how the agency is consistent in its application of its student services indicators across institutions.

**Staff Determination:** The agency does not meet the requirements of this criterion. It needs to demonstrate that it is consistent in its application of its student services indicators across institutions.

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**(a)(1)(vii) Recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising.**

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The agency cites standard 3 and the indicators 3.23 - 3.29 to demonstrate that it assesses each of the factors in this criterion. It has submitted the self-analysis of a school that has piloted the standards (exhibit 81). The institution did respond to a focus question but it did not address the question re its policies regarding the elements of this standards area. The institution provided no evidence of the basis for its self assessment as "highly functional" relative to each of the standards indicators.

The sample site team report developed to assess the postsecondary standards does not provide an adequate assessment of the agency's standards in this area nor does it include enough qualitative information regarding the quality of the institution in this area on which to base an assessment of quality.

The agency has not demonstrated effective application of its standards in this required area.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it has assesses each element in this criterion and clearly incorporates the elements into the accreditation assessment and accreditation decisions of postsecondary educational institutions.

**Analyst Remarks to Response:**

The citation in the draft staff analysis required the agency to demonstrate that it assesses each element under the recruiting and admissions practices criteria which includes, among other things, academic calendars, catalogs, publications, grading, and advertising, and applies the assessment when making an accreditation decision on an institution that offers postsecondary vocational, career and technical educational programs.

The agency, in its response, provided two site visit reports -- one for Symbol Job Training, Inc. and the other for Hot Rod Institute -- to demonstrate that it made accrediting decisions based on its standards to assess institutional compliance with the recruiting and admissions and other factors included in this criterion. Although each team reported that it had reviewed the areas, the compliance checklist comments for recruiting in the QAR for Hot Rod Institute, stated "student recruitment practices are in place and serve the best interests of prospective students". Additionally, the QAR stated the "ADMISSION PROCESS (emphasis added) was cited by students as one of the most helpful parts of determining HRI as their education provided." Throughout the QAR, the team describes the school's processes and offers support for those processes based

on discussions with students or school administrators, and perhaps faculty to base compliance determinations on responses to interviews with select groups. However, none of the examples provided indicated that the site team or the agency made a determination of compliance based on measurable standards either developed by the agency or the institution. For example, both team reports indicate that the schools have academic calendars, although the agency has not determined what minimum information an institution should include on its academic calendar. In each of the two site visit reports, each institution applied a different interpretation to recruitment. One school applied the standard to faculty recruitment while the other school addressed student recruitment. In the absence of the agency having clear measurable guidelines for student admissions and recruitment and the other factors under this criterion, the agency has not demonstrated that it can ascertain compliance with the standards to ensure consistent application of the standards in a consistent manner that ensures educational quality by not determining the existence of a document, but by evaluating the document to ensure that it provides at least the minimum information to ensure quality, integrity and essential information to students. Otherwise, the agency decisions appear to be based on opinions of facts reviewed in documentation the agency required the institution to produce. The evaluator is making a recommendation and the Board of Directors will make a decision based on inconsistent evidence used to demonstrate compliance with standards for which the institution could select and demonstrate compliance by means of any number of documents, or for just merely having the documents in which quality is never determined.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that its recruitment and admissions standards include established minimum requirements and demonstrate its effective assessment of institutions against the standards.

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**(a)(1)(viii) Measures of program length and the objectives of the degrees or credentials offered.**

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The agency states in its narrative that standards 3 and 5 and the responding indicators address the measures of program length and the objective of the credentials offered by the postsecondary vocational institutions it accredits. The guidance provided to schools suggests the type of documentation it considers appropriate to meet the standards. Examples of the documents a school may use to demonstrate compliance are found in indicators 3.29 - 3.32 and includes, among other things, verification of state agency approval, the length and increments of the academic year and grading periods, established time limits for program completion found in academic calendars, course catalogs, governing board policies and procedures manual, grading policy, and handbooks.

The agency offers the pilot school's self-assessment as evidence that a school has used the new standards. While the agency narrative also expounds on its

assessment of program length in relation to the objectives of the credential, the agency has not validated its description of the process and has not demonstrated that it has evaluated or made accreditation decisions on the revised standards involving program length.

The documentation does not provide sufficient evidence that the agency has standards by which it assesses program length in accordance with the objectives of the credential or evidence of their application.

The agency must demonstrate that it effectively applies its standards to institutions offering postsecondary vocational education programs and that it evaluates program length and credentials when it assesses information for compliance with its standards before awarding accreditation or continued accreditation.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it effectively applies standards for postsecondary education that evaluate the program length and credentials of the education programs offered in its assessment of a postsecondary educational institution for accreditation or continued accreditation.

#### **Analyst Remarks to Response:**

The agency supports the application of Standard 3, indicators 3.29 – 3.32 with the comments found in the Documentation Management Tool of the HRI QAR site visit team report regarding program length. Beginning with indicator 3.29, the agency's site team commented that because the program is a 100 percent unique specialization automotive restoration program and the state of South Dakota does not approve non-degree granting institutions, no industry credential or program accreditation existed for this type of institution or program. To receive a HRI special achievement diploma the program requires a student to complete all six classes. If a student completes any 5 of the 6 courses, the student receives a Hot Rod Program 5 Class Diploma. Additionally, a student that completes any four of the six classes receives a Hot Rod Program 4 Class Diploma. Any student may receive a Certificate Program for completion of any one of the six classes each of which covers a quarter of each academic year.

The team found the school met the measure of program length and objectives of the credentials offered by the school, establishing the school as the industry itself. In the absence of a state approval, an industry or accreditation standard, the agency's policies report that the team will use its judgment to assess a school's compliance based on student achievement levels, courses and sequencing, among other things. Department staff finds that it is not evident that the team used or the agency had used similar automotive industry standards to measure program length and the credential offered. Nor is it clear that the team conducted the alternative assessment as required by agency policies.

As required by its evidence guide, the agency evaluation and assessment needed to include evidence to insure the integrity of the process as in this case,

for the single purpose institution, the following assessments:

- Community-based projects
- Contextual learning
- Cooperative learning evidence
- Differentiated instruction evidence
- Interdisciplinary projects evidence
- Lesson plan examples
- Lesson plan review and observations by administrators
- Program approval – state or governing board
- Project-based learning

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that it has or uses related or similar industry program length standards or that it has conducted the alternative assessment as required by agency policies in assessing an institution's compliance with its standards on program length.

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**(a)(1)(ix) Record of student complaints received by, or available to, the agency.**

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The agency refers to Policy XVII and specifically section(c) to address the record of student complaints in this criterion and demonstrate that it has policies and processes for assessing whether a pattern of student complaints exists that would cause it to question the institution's fulfillment of one or more of the agency's expectations. The agency policy does not address the Department's requirements or an expectation concerning the effectiveness of the agency's standard to address the agency requirements for assessing a record of the institution's student complaints. Rather the agency's policies describe the procedures for submission and review of complaints received about the institution or the agency.

Under this criterion, the Department expects the agency's standards to address at least the following factors as appropriate:

1. Whether the institution and/or the agency is primarily responsible for maintaining the record of student complaints;
2. Whether the record of student complaints covers at least the most recent accreditation period, and includes information about the resolution of the complaints; and
3. Whether the record of student complaints is available and reviewed by the on-site evaluators.

To demonstrate compliance with this required criterion, the agency needs to provide relevant standards, sample self-study excerpts demonstrating the agency's expectation that institutions address the relevant standards and that

the site visit evaluation report excerpts demonstrates the agency's evaluation of the institution against the relevant standards.

The agency also cited Standard 5 (Using Results for Continued Improvements) and indicators 5.8 - 5.11 to demonstrate that it has established standards, to assess the record of student complaints, made against an institution. However, it is not clear that the agency understands the requirement that the agency includes an assessment of the types and number of complaints (record) in its deliberation for accreditation of whether systemic issues exist at the institution that are illustrated in the "record" of student complaints. However, the agency has not demonstrated that it has applied its standards regarding student complaints nor the record of student complaints at its institutions in its accreditation review and decision-making process.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it effectively applies standards for postsecondary education that evaluate the record of student complaints received by, or available to, the agency in its assessment of a postsecondary educational institution for accreditation or continued accreditation.

#### **Analyst Remarks to Response:**

The agency clearly demonstrated in each of the QAR team reports that its revised standards require that schools develop complaint procedures, and in one instance the school demonstrated that it maintained a record with resolutions. The agency has demonstrated that it assesses that the institution has grievance/complaint policies and maintains a record of the complaints. The agency also has indicators requiring the institution to assess the student complaints it receives for systemic issues. The agency needs to demonstrate its expectations pertaining to the institution's assessment.

In response to the agency's misunderstanding of the criterion, the requirement of this criterion is that the agency demonstrate that it incorporates into its accreditation decision-making an assessment of the "track record"/complaint record/history of an institution. This assessment of complaints should reveal if there are any systemic issues pertaining to an institution's compliance under any of the agency's standards. It is commonly accepted practice that the agency review the complaints made at the institution, but an agency may also receive complaints about an institution directly from a complainant. It is insufficient for compliance with this requirement if the agency only assesses that an institution has compliant complaint policies and does not demonstrate that it incorporates into its accreditation decision-making, an assessment of the "track record"/complaint record/history of an institution. Likewise, though the agency has indicators requiring the institution to assess the student complaints it receives for systemic issues, the agency cannot delegate away its own responsibility to make its own assessment and to incorporate that into the accreditation decision.

**Staff Determination:** The agency does not meet the requirements of this

criterion. The agency needs to demonstrate that it incorporates into its accreditation decision-making, an assessment of the "track record"/complaint record/history of an institution.

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**(a)(2) The agency's preaccreditation standards, if offered, are appropriately related to the agency's accreditation standards and do not permit the institution or program to hold preaccreditation status for more than five years.**

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The agency's policy on the procedures for initial accreditation affirm the narrative statement requiring that "institutions seeking initial accreditation must demonstrate that they meet the NCA-CASI standards and policies, have the capacity to support institution improvement, and are committed to growth in student learning and organizational effectiveness." The agency policy also has a two-year limit on the amount of time an institution may remain in candidacy (preaccreditation) status.

The agency described its procedures and referred to exhibits describing review procedures and Board reviews. The Department has concerns about the discrepancies throughout the agency's policies and procedures. For example, in outlining policies and procedures for candidacy under section 4.05, the agency policy states that "time permitting" the QAR team interviews internal stakeholders and makes observations. Under section 4.06, the agency outlines a procedure that indicates the team will conduct interviews and observations. The agency's documents are expansive, not clearly organized, duplicative, and have discrepancies as noted above, making them ineffective mechanisms for demonstrating that the agency has clearly defined policies and procedures for establishing its requirements for preaccreditation.

In addition, the agency has not demonstrated that it effectively applied these policies and procedures to assess and grant candidacy status to a postsecondary education institution using the standards adopted by the agency in February 2011.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that it has effectively applied its revised standards to assess and grant candidacy status to a postsecondary education institution.

**Analyst Remarks to Response:**

The only issue the agency needed to address in its response to this criterion was to demonstrate the implementation of the revised standards to assess and grant candidacy status to a postsecondary education institution.

The agency reports it did not implement the revised policies (adopted on March

1, 2011), regarding the candidacy procedures until after it submitted its petition in June 2011. The additional documentation provided in the response, demonstrates that it applied the revised policy 4.05 in its review of the Illinois Tax Training Institute (ITTI) through a readiness report conducted on July 27-28, 2011. The information provided on the Symbol Job Training, Inc. is not relevant to this criterion. According to the excerpt from the Illinois Tax Training Institute Candidacy Quality Assurance Review report, the purpose of the Candidacy Quality Assurance Review is to:

1. Evaluate the school's adherence to the NCA CASI quality and compliance accreditation standards and policies.
2. Assess the efficacy of the school's improvement process and methods for quality assurance.
3. Identify commendation and required actions to improve the school.
4. Make a Candidacy recommendation for review and approval by the Board of Directors.

The report indicates that a key aim of the Candidacy Quality Assurance Review (CQAR) is to verify that the school is operating with institutional integrity – that it is fulfilling its vision and mission for its students and has the capacity to continue in preparing for the accreditation phase.

The CQAR Team has a NCA CASI certified external team chair and trained external team members. The team reviews the findings of the school's internal self assessment (SA); analyzes artifacts, student achievement data, procedures, and process documentation organized on the digital Document Management Tool; conducts interviews with representative groups of constituents; and observes practices and daily operations. The team engages in professional deliberations to reach consensus on the school's adherence to the standards for accreditation. The team provides an oral exit report and prepares a written Candidacy Quality Assurance Review Team Report designed to help the school improve.

After the CQAR team completes the Candidacy Quality Assurance Review report, the Chair submits the report to the NCA CASI Postsecondary Department. After review by a nationally trained postsecondary career technical reader reviewer, the report is submitted to the school for review with responses due to the Postsecondary Department. The Postsecondary Department, Reader Reviewer, and Board of Directors review the site team's recommendations. Candidacy status is granted by the Board of Directors and communicated to the school following action from the Board. Applicant institutions that do not achieve Preaccredited (candidacy) status remain in applicant status and may receive technical assistance to continue the process.

The team recommended the ITTI for the pre-accreditation status of Candidate. The report contained recommendations and required actions for improvement. However, there is no relevant documentation indicating that the Board has made a decision to grant preaccreditation (candidacy) status to the institution in its

listing of accreditation decisions through the November 11, 2011 decision meeting.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needed to demonstrate that it has implemented its policies and procedures for preaccreditation through application of a decision, which it has failed to do.

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### **§602.17 Application of standards in reaching an accrediting decision.**

**The agency must have effective mechanisms for evaluating an institution's or program's compliance with the agency's standards before reaching a decision to accredit or preaccredit the institution or program. The agency meets this requirement if the agency demonstrates that it--**

**(a) Evaluates whether an institution or program--**

- (1) Maintains clearly specified educational objectives that are consistent with its mission and appropriate in light of the degrees or certificates awarded;**
  - (2) Is successful in achieving its stated objectives; and**
  - (3) Maintains degree and certificate requirements that at least conform to commonly accepted standards;**
- 

1. The agency standards require institutions to have written educational objectives and missions that include clear and measurable goals. The agency documentation does reflect that under the previous standards, the agency site team assessed that the institution has a mission statement and in the samples provided made assessment of the institution's ability to demonstrate success in meeting its objectives. There has been no agency assessment of mission under its current standards.

2. It is noted that in the samples provided it was clear that the institutions were assessing their success in meeting their mission, however, it was clearly identified that the assessment was of the secondary education programs and not the adult programs. The agency has not demonstrated its formal assessment of the self-study created against the agency's current standards and its compliance with agency expectations.

The agency's documentation provided in exhibit 12 captures aggregate data for all schools covering rates of completion, job placement, and licensure, but the information is not clear as the agency has not interpreted the data nor explained how it is that for some institutions with no programs, the agency records completion rates and job placement rates. The agency has provided no evidence that or how it uses this information in the accreditation review and decision-making process.

3. Although, the agency refers to competency expectations and identifies a variety of industry certifications and competency standards, it has not demonstrated or provided evidence that it evaluates and verifies that its institutions' programs maintain certificate requirements that conform to commonly accepted standards during its review of institutions for accreditation. .

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it has applied the newly revised standards and compliance indicators before reaching a decision to accredit or preaccredit an institution; how it determines that an institution is successful in achieving its objectives in light of the certificates offered; and that it evaluates and verifies that the institutions' programs maintain certificate requirements that conform to commonly accepted standards during its review of institutions for accreditation.

**Analyst Remarks to Response:**

The agency provided recent site team reports that reflect that the agency has applied the newly revised standards and compliance indicators and reviews that the institution has written educational objectives and missions.

The agency also needed to demonstrate that it evaluates (as part of the process to grant accreditation) whether an institution is successful in meeting its stated objectives. While the agency cites several documents from the DMT, these appear to be used for annual monitoring of compliance with student outcome thresholds as opposed to demonstrating a (comprehensive) evaluation of the institution's success in meeting its stated objectives before reaching a decision to accredit or preaccredit the institution. While the agency provided a number of site team reports, the content of these reports is inconsistent in demonstrating that the agency is evaluating to what extent an institution is successful in achieving its stated objectives particularly when the institutional mission and objectives expand beyond the student achievement measures.

The agency has provided no evidence that it evaluates and verifies that the institutions' programs maintain certificate requirements that conform to commonly accepted standards during its review of institutions for accreditation. It is not sufficient to have an institution self report that it meets industry standards (as is reflected in Exhibit389) or for the agency to solely identify the name of the industry and/or its standard scheme as is noted in the site team reports. The agency has provided no evidence that or how it assesses whether and to what extent the educational program is conforming to recognized industry standards. There is no evidence that the agency is assessing and making determinations of the extent to which an institution maintains credential requirements for educational programs that conform to commonly accepted standards for educational program areas that do not have recognized industry standards.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate how/that it determines that an institution is successful in achieving its objectives and that it evaluates and

verifies during the accreditation process that the institutions' programs maintain certificate requirements that conform to commonly accepted standards.

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**(b) Requires the institution or program to prepare, following guidance provided by the agency, an in-depth self-study that includes the assessment of educational quality and the institution's or program's continuing efforts to improve educational quality;**

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Under this criterion, the agency must require institutions to prepare an in-depth self study that includes an assessment of educational quality (conformance with agency standards) and to address the effort to improve educational quality. The agency must provide institutions with guidance on the development of a self-study to include the involvement of key stakeholders.

The agency has provided an extensive narrative on its self-study process. The agency's policy document confirms that the institution must prepare a self-study as a component of the accreditation process. The agency has developed a standardized template format for the self-study process. While the process describes indicators of institutional activities under the standards areas and against standards, it is unclear from the documentation that institutions' self-studies are undertaken and supported by verifiable documentation.

The agency also reports that it provides training and guidance to institutions. However, the agency has not demonstrated how or that the agency documents the satisfactory completion and effectiveness of the online training. Also, the training documents referenced as evidence of training do not provide sufficient detail to demonstrate the substance of the on-line training provided by the agency.

Also, while the agency's procedures, policies and standards place an emphasis on postsecondary education, the self -studystudy presented as documentation (developed by the institution that piloted the 2011 standards) clearly reflects a focus on secondary education. For example, the development of the student profile emphasizes compliance with the state's Department of Elementary and Secondary Education. The school reported that the profiles, among other things, aided the school in determining if the students are enrolling in postsecondary education. More alarming is the school's conclusion that their collaborative efforts had produced students ready to access jobs immediately upon GRADUATION FROM HIGH SCHOOL (emphasis added) indicatingindicating, "its focus is on kids".

In the Department's 2010 evaluation of the initial application of AdvancED, the Department requested the agency to demonstrate that it has differentiated its secondary vs. postsecondary accreditation policies, procedures and standards and its accrediting activities prior to February 2011. It has one school in the pilot program to test the revisions and focus of its activities on postsecondary

education. However, the documentation provided does not clearly demonstrate that the assistance provided by the agency's staff had a postsecondary education scope regarding the piloted institution.

The Department finds that the agency used documentation that focuses on the review of secondary education to demonstrate its compliance with the self-study requirements of this criterion, specifically the content did not conform to the current requirements.

**Staff Determination:** The agency does not comply with the requirements of this criterion. The agency must demonstrate that it has and effectively applies a self-study process specifically for its postsecondary education accreditation.

**Analyst Remarks to Response:**

Under this criterion, the agency must require institutions to prepare an in-depth self study that includes an assessment of educational quality (conformance with agency standards) and to address the effort to improve educational quality. The agency must provide institutions with guidance on the development of a self-study to include the involvement of key stakeholders.

The agency has provided an extensive response to the draft staff analysis. However, the concerns of the Department have not been addressed. The agency has worked extensively to move the accreditation process documentation to a series of standardized template charts and checklists. The self study process is based on a standardized template of compliance checkboxes and focus questions that is not clear in guiding institutions to complete a comprehensive self study. While the self studies provide varying amounts of description, they do not reflect an in-depth qualitative assessment of the institutions' strengths and weaknesses. There is also inconsistency in the agency's expectation of the involvement of key stakeholders in the self analysis.

The agency also provided documents of the agency's guidance to its institutions on the self study process. However, the training documents (and supported by the self studies provided) do not demonstrate that the agency provides guidance to its institutions on developing an in-depth self study that includes a qualitative assessment of educational quality from which to develop an education quality improvement process.

**Staff Determination.** The agency does not comply with the requirements of this criterion. The agency must demonstrate that it has and consistently applies a self-study process that requires institutions to conduct a comprehensive in-depth assessment of educational quality.

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**(c) Conducts at least one on-site review of the institution or program during which it obtains sufficient information to determine if the institution or program complies with the agency's standards;**

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The agency reports that on site review teams generally include five to seven members (practitioners and academic and administrative personnel) who have expertise in postsecondary institution review, career and technical programs, student services, and other areas as required by the programs offered at the institution. Although the size of the team varies depending on the size of the institution and the number of programs offered, one site visit report shows that four team members worked in career and technical centers. The team Chair whose name the accreditation office highlighted by "PS" appeared as the only team member with postsecondary experience. The agency documented the two-day site visit with a team report that used former standards. For this report, it is not clear that the team included practitioners as suggested in the narrative citing exhibit 90(b), nor is it clear that practitioners served on another site team as shown in the team roster of the site visit report in exhibit 171(b).

The team roster for another site visit team reflects that the team members come from the same state and two of the members appear to be employed at the State Department of Education. This appears to be a conflict of interest and/or the perception of a conflict of interest. The agency needs to provide evidence that it ensures that the composition of its site visit teams guard against the perception of a conflict of interest.

The agency reports the purpose and responsibilities of the site visit team includes evaluating the institutions adherence to the postsecondary standards, assessing the improvement process, and recommending required actions to improve based on a rating system through indicators. The template of the site visit agenda suggests that the team spends time evaluating documents during the site visit, however, there is no evidence that this occurred in the documentation provided.

As noted in an earlier section of the criteria, there is no evidence that the agency trains team members on interpretation of the agency's standards. An undated power point presentation of team member training reviews the agency's accreditation process and does not focus of the standards or policies. The Excel spreadsheet provided in exhibit 22, indicates that while the agency may have held several training sessions in various locations as follows: site visit/institution representatives occurred on April 7, 9, 21, 2009, September 18, 28, 2009, October 21, 2009, December 16, 2009, and October 13, 2010, retention training on May 18, 2009, September 17, 2009, team tool training November 9, 2009, October 13, 2010, and Chair training September 16, 17, 23, 25, 2009, October 6, 2010, all of these dates occurred before the agency adopted the new standards in March 2011. There is no evidence that teams have been trained on the current (postsecondary) standards.

For each standard, the on-site team evaluates compliance with each indicator in relation to the school's focus on systems and methods of attaining high student performance and provides a rating of "meets" indicator (with and without comments) and "partially meets indicator" or "not met" with comments. An institution receives a numeric score based on the sum of the ratings given to each indicator. The team makes a system-generated accreditation recommendation based on the numeric score. The team develops a site team report at the conclusion of the visit. However, the agency's documentation does not provide sufficient evidence of the team's review of the institution's documentation, nor of its interviews and observations to demonstrate how it has verified and concluded compliance by the postsecondary education institution, programs, and student outcomes with each of agency's postsecondary standards and indicators.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that the site teams are appropriately composed with postsecondary administrators and academics, and practitioners and that the agency effectively guards against conflicts of interest and the perception of any conflict of interest. It must demonstrate that all team members receive sufficient training in the interpretation of agency standards and protocols. The agency must also demonstrate that its site team report includes sufficient evidence of its verification of the documentation and the basis for its compliance determinations on the postsecondary institution, programs, and student outcomes.

#### **Analyst Remarks to Response:**

The agency was cited, in part, for not demonstrating that its site teams are appropriately composed with postsecondary administrators and academics, and practitioners. The agency has not responded to this issue nor demonstrated that it ensures that each of its site teams are appropriately composed with postsecondary administrators and academics, and practitioners.

The agency site team process was cited, in part, because it was determined that the agency did not demonstrate that it effectively guards against conflicts of interest and the perception of any conflict of interest in the composition of its site visit teams. The agency responded by contesting the citation. The Department's position is that it is a conflict of interest to have persons on a site team that may appear to have other interests and/or influence over the institution they are to evaluate thus raising the potential for bias as to the outcome. It would appear to staff that the state agency does have other interests in and influence over the institutions in its State that the accrediting agency has not considered. It is common practice for accreditors to adhere to practices such as not using site evaluators from the same state in order to avoid potential conflict of interest. The agency did not provide evidence that it ensures that the composition of its site visit teams guard against the perception of bias resulting in a conflict of interest

The agency was cited for not demonstrating that all team members receive

sufficient training in the interpretation of agency standards and protocols. The agency did not provide documentation that it provided training to site team members on interpretation of agency standards and site visit protocols.

The agency was also cited for not providing sufficient evidence of its verification of the documentation and the basis for its compliance determinations on the postsecondary institution, programs, and student outcomes.

The site team reports do not demonstrate that the team is assessing the institution against agency standards and indicators. Throughout, the team reports do not reflect comprehensive assessment of the agency standards/indicators. For example in one team report provided as documentation, Standard 3 indicator 3.4 requires--

" The institution evaluates competing and/or similar programs offered regionally and locally to gauge employment needs and assist in establishing reasonable program costs."

The team report assessment does not address the requirement of the indicator that the "institution evaluate other programs to gauge needs and establish reasonable program costs". Rather it states--

"Interviews with students indicate that Symbol provides superior learning opportunities compared with competing programs. Students consistently mention the emphasis of hands-on lab time, the breadth of topics included, and the reasonable time frame for certification as benefits of the Symbol program"

The assessment does not address the agency's expectation that the institution demonstrate it has evaluated other programs.

Standard 3, Indicator 3.7 --

"Curriculum integrates academic knowledge and skills with rigor as reflected by specific industry standards, credentialing entities, and constituent/technical advisory committees.

The team report assessment does not address the curriculum, it states solely--

"Applicants are required to pass a math exam, unless previously screened by another agency (IA),"

From another report--

Standard 3, Indicator 3.36--

"Institution regularly collects and analyzes enrollment data, retention rates, and career-technical and postsecondary student outcome data; uses that data as

part of an institutional evaluation/assessment of success in meeting the mission; and uses evaluation results to develop and implement improvement plans, based on criteria/processes for evaluating the institution's objectives/goals and the outcomes resulting from the improvement plans."

From the site team assessment--

"Data collection and analysis is much improved since the candidacy review. NCA reports are complete and are filed as required. As additional required reporting for financial aid is assumed, professional development will be needed. The DoA is aware of the needs and is willing to restructure/assign staff for these tasks."

The team assessment that "data collection and analysis is much improved" is by commonly accepted standards an incomplete assessment of the requirements outlined in the indicator.

Standard 3, Indicator 3.39--

"Notwithstanding 3.38, an institution may establish its own student achievement standards. If it does so, the institution's standards shall be reviewed to ensure that they address job placement, state licensure, and program completion rates and are reasonable in light of related nationally recognized program credentialing agency standards and state standards for student achievement and shall review the institution's processes for collection and review of student achievement data for accuracy and for use in institutional improvement plans."

From the site team assessment--

"NCA CASI will determine acceptable student achievement rates which will be reported and verified annually."

In each of these examples, the institutions were determined to have met the indicator. Based upon a review of the agency's site team reports, the agency has not demonstrated that its team reports reflect an assessment of the requirements of the indicators/standard, verify the documentation nor that the agency's compliance determinations are consistently based on an assessment of agency written standards/indicators.

Staff Determination: The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that the site teams are appropriately composed with postsecondary administrators and academics, and practitioners and that the agency effectively guards against conflicts of interest and the perception of any conflict of interest. It must demonstrate that all team members receive sufficient training in the interpretation of agency standards and protocols. The agency must also demonstrate that its site team report includes sufficient evidence of its verification of the documentation and the basis for its compliance determinations.

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**(e) Conducts its own analysis of the self-study and supporting documentation furnished by the institution or program, the report of the on-site review, the institution's or program's response to the report, and any other appropriate information from other sources to determine whether the institution or program complies with the agency's standards; and**

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The agency has established new policies/procedures in the review process. Once the site team report (QAR) is developed and sent to the Agency office, it is forwarded to a Super Reader who assigns it to a Reviewer ReaderReviewer. The Reader Reviewers hold "contract" positions and review the QAR and ensure it conforms to the agency standards/ indicators. According to the agency, Reader Reviewers are former site team chairs; however, the agency did not document the selection process and qualification requirements for the reader reviewers.

The agency reports that it has developed a training module for the Reader Reviewer function. The documentation of the training raises a number of concerns. First the training documentation applies to the Reader Reviewers for AdvancED accreditation, presumably at the secondary school level, and not at the postsecondary level. Second, according to the documents, a function of the Reader Reviewer is, "Not reader's job to change rating but to strengthen the report to justify the rating." Another portion of the training materials indicates that the Reader Reviewer should contact the chair "to add or delete substantive concepts." These directions suggest that the Reader Reviewer can amend the content of the site team report. Also, the agency reported that the Reader Reviewers' process includes verifying student achievement data, enrollment data, and governance approval. However, the intranet documentation does not reflect these actions occur, nor is it clear whether the Board sees the Reader Reviewers' comments in its deliberations. Furthermore, the agency has not described or documented the role of AdvancED State office personnel in the reader review process, as exhibited in the training webinar.

The criterion requires that the Board conduct its own analysis of the documentation which requires that all Board members have access to the self-study and supporting documentation, site team report, response to the site team report, and information from other sources used in the decision-making. At its September 2011 Board meeting, Department staff asked the members; they indicated that they had access to the institution's documents prior to the meeting through the NCA-CASI secured intranet website.

One particular critical concern regarding the agency's reliability as a recognized accreditor is documented in the minutes of the May 2011 Board meeting. The Board minutes reflect that the Board voted and unanimously approved the "transfer" of a school into its postsecondary membership as "Accredited" until June 30, 2014. The rationale provided in the minutes is that "it serves mostly

international students; most students are from Saudi Arabia. Programs are short term and the school is not considering applying for Title IV funding. A recent change in Sevis regulations effective July 1, 2011 requires that all schools with international students who need visas must be accredited. CITA originally accredited this school and their last accreditation visit was in 08-09." Transfer of accreditation is not an accepted accreditation practice for accrediting agencies recognized by the Secretary of Education. Recognized accrediting agencies are required to conduct a full and comprehensive accreditation review that includes a self study, an on-site review, and Board analysis of the review documents prior to making a decision to accredit an institution. The agency's practice not only calls into question the agency's position as a reliable authority regarding the quality of education at an institution but also disregards its obligation to the Department of Homeland Security.

The agency has not demonstrated that its accreditation decision-making process is sufficiently rigorous to determine that it is reliable as an authority of the quality of education provided by the schools it accredits. In the QAR provided as evidence of its application of its postsecondary education standards/ indicators, Standard 3 is the standard for "Teaching and Assessing for Learning." It includes: curriculum, instructional design, assessment practices guide, ensure teacher effectiveness, and student learning. The 39 indicators under the standard include: Curricula, Instruction, Recruiting/Admission Practices, Measures of Program Length and Objectives of Credentials Offered; and Student Achievement. The agency's review of the institution found that it met only 17 of the indicators under this standard - less than half of the indicators that make up the standard. The agency found that the institution only partially met 18 of the indicators and did not meet one indicator measuring student achievement. The agency assigned a score of 67% to the standard.

The agency's accreditation decision is based on the aggregated score for the 5 standards and the agency does not consider an institution out of compliance with its standards if it scores at least 70% on the overall summary score of its 5 standards. Per agency policy, "An Institution shall be classified as Accredited on Advisement when the institution performs between 70% and 79% on a rating scale of 0 to 100% and, in the opinion of the Board of Directors, it meets the requirements of policies and standards, but indicators suggest that the institution needs to take immediate action to prevent falling into noncompliance."

In the QAR, the required actions identified by the team do not address the not met or the partially met indicators under the standards. Per the report, "In addition to the commendations, the Quality Assurance Review Team identified the following required actions for improvement. The team focused its required actions on those areas that will have the greatest impact on improving student achievement and overall school effectiveness. The school will be held accountable for addressing each of the required actions noted in this section. Following this review, the school will be asked to submit a progress report only on the required actions. These included (1) Review the mission and vision to include a focus on technology in the goals; (2) Enhance the administrator's

career and technical knowledge through mentoring and technical assistance experiences. Providing networking opportunities can result in data-driven decision-making, increase business/industry involvement, and a clear focus on industry credentials, and (3) Establish a formalized marketing plan that promotes all career and technical programs. The lack of rigor in the accreditation review and decision-making process as demonstrated by the agency in this petition for recognition is not of sufficient rigor to establish that the agency is a reliable authority.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it has and effectively applies an accreditation review and decision-making process that is of sufficient rigor to establish that the agency is effective in its performance and a reliable authority of the quality of the educational institutions it accredits. Also, the agency must establish and document the selection process and qualifications of the Super Readers and Reader Reviewers for NCA-CASI. The agency must explain and document the role of the AdvancED State office personnel in the review process.

#### **Analyst Remarks to Response:**

The criterion requires that the Board conduct its own analysis of the documentation which requires that all Board members have access to the self-study and supporting documentation, site team report, response to the site team report, and information from other sources used in the decision-making. At its September 2011 Board meeting, Department staff asked the members about the availability of these materials; they indicated that they had access to the institution's documents prior to the meeting through the NCA-CASI secured intranet website.

The agency appears to have subsequently changed its policies and processes regarding its review and decision-making process. In its response it states, "The clearest and most appropriate documentation of compliance with this criterion relates to institutional reviews conducted under the Agency's new standards and policies subsequent to the submission of our petition." The new policies have revised the numeric scores associated with the accreditation status accorded to an institution. It is not clear on which policies and processes the agency is basing its decisions.

The documents the agency provided regarding the agency's action to place institutions on probation as a result of a review of annual report student outcomes data, do not address the requirement of this criterion which is a requirement to demonstrate that the decision-makers review specific documents in making the decision to accredit an institution.

The agency has clarified for the Department that AdvancED State office personnel are not included in the review and decision-making process for postsecondary institutions

The agency provided revised documents regarding the reader reviewers and

lead evaluators in which some of the Department's concerns were addressed.

The agency contends the issue of "transfer" of accreditation raised by staff in its draft staff analysis. In response, it provided a staff report of a visit to the institution by an agency staff member during which the staff person provided training on agency standards to 2 institution personnel. The 4-page report concluded, "Based on the findings of this review, Madison English as a Second Language School meets NCA CASI standards and policies for accreditation and should be recognized as an NCA CASI Postsecondary accredited school." This report appears to be the basis of the Board's decision to accredit the institution. This action demonstrates the agency's lack of compliance with this section; as the Board made this accreditation decision without reviewing the documents required by this criterion.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that the Board conducts its own analysis of the required documents that contain sufficient information for the Board to determine that the institution complies with the agency's standards.

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**(f) Provides the institution or program with a detailed written report that assesses--**

- (1) The institution's or program's compliance with the agency's standards, including areas needing improvement; and**
- (2) The institution's or program's performance with respect to student achievement;**

**and**

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The agency sends a copy of the QAR to the institution prior to the decision, but does not indicate how it informs the institution of the accreditation decision. The agency has not demonstrated that it provides an institution with a detailed written report that assesses compliance with the agency's standards.

The QAR includes a Summary of Findings section in the written report provided to the institution. The summary of findings section includes Commendations and Required Actions. However, is not evident that the required actions correspond to non-compliance with any of the agency standards and indicators. The summary of findings does not identify the relationship of specific standards/indicators to each finding.

In the main body of the report, under each standards area, the site team "notes how the school met the intent of the standard based on the preponderance of evidence" and identifies areas of Strengths and areas of Opportunity for Improvement. It does not appear that these are areas of compliance or non-compliance with specific agency standards and indicators.

Further in the QAR is a Compliance Checklist that identifies several of the USDE criteria for recognition by regulatory citation with a checkbox for either compliant or non-compliant. There is no narrative identifying or supporting the determinations. It is not clear how the agency or the institution is using this Checklist.

Following this, is a table of the agency's standards and indicators and a (met/partially met/ not met) rating for each indicator. Indicators that the team identifies as partially or not met include a brief statement summarizing the reason for the rating. A numeric summary score is generated for each of the 5 standard areas, an aggregate overall summary score is generated, and an accreditation status is determined from the aggregate score.

The agency provides the QAR to the institution prior to the Board's action. The format of the QAR report under the new standards, as provided, appears to be a decision document. Therefore, it is unclear, going forward, whether the Board functions as an independent appraiser of all documents in its role as the decision-making body or adopts the recommendations in the QAR.

The agency's approach to determining and providing a report of compliance also calls into question whether the agency has an approach that is sufficiently rigorous to ensure that the agency is a reliable authority. Of note under this approach, is that the agency does not consider an institution out of compliance with its standards if it scores at least 70% on the overall summary score. Per agency policy, "An Institution shall be classified as Accredited on Advisement when the institution performs between 70% and 79% on a rating scale of 0 to 100% and, in the opinion of the Board of Directors, it meets the requirements of policies and standards, but indicators suggest that the institution needs to take immediate action to prevent falling into noncompliance."

The agency does not provide the institution with a detailed report of the institution's performance with respect to student achievement. While the sample QAR under the new standards cites a programs student outcomes (completion, licensure pass rate and placement), it does not provide any evidence that the agency analyzed the data.

The agency anticipates that institutions and site team evaluators will use the new indicators in Standard 3 to demonstrate student achievement rates for placement, licensure/industry credential rates, and employment rates. In lieu of these rates, the agency encourages the institution to develop qualitative measures when external rates do not exist. The agency states that it will develop uniform mechanisms to assess student achievement when industry, state licensure, credentialing, or placement rates do not exist. The agency has not demonstrated its application of such changes in the current documentation or in the QARs, it sends to institutions.

**Staff Determination:** The agency does not meet the requirements of this section of the criterion. The agency must demonstrate that has an effective mechanism

for providing an institution with a detailed written report that assesses its compliance/non-compliance with agency standards and the institutions performance with respect to student achievement. It must demonstrate that it has a decision-making process that is sufficiently rigorous to ensure that the Board makes accreditation decisions that are sufficiently rigorous to ensure that the agency is a reliable authority of the quality of the education and training provided by the institution.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency has provided more recent site visit reports. The report format has been revised and expanded to show a clearer link/relationship between the agency's findings (required actions) and the agency's standard/indicator(s).

The agency has also responded to the Department regarding the Compliance Checklist. Per the agency, the compliance checklist "is used by the site team to indicate conclusions of institutional compliance with the relevant standard or indicator." As the checklist identifies the Secretary's criteria for recognition under 602.16 (which are not applicable to institutions but to accrediting agencies) and as there is no evidence what is the expectation, it remains a mystery what the narratives included in the recent examples represent. It is not clear how the agency or the institution is using this Checklist.

The agency has not demonstrated that it consistently assesses student outcomes against agency standards (or state student achievement standards) nor that it provides a detailed written report of an institution's performance with respect to student achievement.

While the agency has a policy stating when and how it will apply state standards, it is not clear how/that the agency knows what are the state student achievement standards nor has the agency provided examples of using them in its assessment of an institution and its vocational programs. The agency also states that it uses state and industry skill standards in its assessment of its institutions. However, apart from identifying the industry skill standards, the agency has not demonstrated that/how it assesses/verifies that the institution/programs are compliant/non-compliant with the appropriate industry skill standards.

Though the agency has identified having made some determinations of compliance regarding student outcomes from data submitted in annual reports on a sample of institutions, it has not demonstrated that it assesses student outcomes during the accreditation decision-making process. While the site team report identifies a completion, placement and licensure rate (as applicable), it is not clear in the report what is the agency or state standard of achievement nor is there evidence of an assessment of the compliance/non compliance of the institution's outcomes rates against the agency or state expectations.

What the agency has done is to provide evidence that it has notified some of its

institutions that they do not meet the agency's annual thresholds for three different student outcome measures- completion, placement, and licensure and placed the institutions on probation.

In some of the site team reports provided to the Department and in the annual report letters regarding student outcomes, the agency includes the institution's completion, placement, and licensure rates. This is not sufficient to meet the requirements of this section to provide a detailed report of the institution's performance with respect to student performance. This requirement applies to all institutions, those both meeting and not meeting the agency standards for student achievement.

In its response and in reaction to the Department's assessment of the compliance of the agency's accreditation statuses, the agency has described another revision to its policies for establishing the accreditation status of an institution. The agency's continual revisions demonstrate that it has yet to establish a consistent and reliable accreditation decision-making process.

**Staff Determination:** The agency does not meet the requirements of this section of the criterion. The agency must demonstrate that has an effective mechanism for providing an institution with a detailed written report that assesses its compliance/non-compliance with agency standards and an institution's performance with respect to student achievement.

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### **§602.18 Ensuring consistency in decision-making**

**The agency must consistently apply and enforce standards that respect the stated mission of the institution, including religious mission, and that ensure that the education or training offered by an institution or program, including any offered through distance education or correspondence education, is of sufficient quality to achieve its stated objective for the duration of any accreditation or preaccreditation period granted by the agency. The agency meets this requirement if the agency--**

- (a) **Has written specification of the requirements for accreditation and preaccreditation that include clear standards for an institution or program to be accredited;**
- 

The agency's inability to demonstrate its effective application of its standards in the postsecondary education accreditation process renders it unable to demonstrate that it has clear standards and compliance with this section of the criteria.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate its effective application of its standards in the postsecondary education accreditation process.

**Analyst Remarks to Response:**

Criterion 602.18 focuses on consistency in decision making and requires that the agency must consistently apply and enforce standards which are, under (602.18(a), to be a written specification of the requirements for accreditation that include clear standards. If it is not demonstrated that the agency consistently applies and enforces its standards, among the reasons for this may be a lack of clarity on the agency's written specification of the requirements for accreditation.

While the standards themselves may appear to be clear, the agency's assessment of compliance with its standards suggest they are not is not clear and consistent. Throughout the analysis, the Department has identified examples of the assessment not reflecting the requirement of the indicator. For example, Standard 3 indicator 3.4 requires--

" The institution evaluates competing and/or similar programs offered regionally and locally to gauge employment needs and assist in establishing reasonable program costs."

As noted earlier, the assessment of this indicator does not address the requirement that the "institution evaluate other programs to gauge needs and establish reasonable program costs'. Rather it states--

"Interviews with students indicate that Symbol provides superior learning opportunities compared with competing programs. Students consistently mention the emphasis of hands-on lab time, the breadth of topics included, and the reasonable time frame for certification as benefits of the Symbol program"

The site team assessment does not address the agency's expectation that the institution demonstrate it has evaluated other programs.

Neither has the agency demonstrated it consistently applies and enforces its requirements for accreditation to include its standards in order to inform the clarity of its requirements. The numerous revisions of its assessment tools during the past two years result in varying levels of demonstrated assessment. The agency's inability to demonstrate its effective application of its standards in the postsecondary education accreditation process renders it unable to demonstrate that it has clear standards and compliance with this section of the criteria.

Staff Determination: The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate it has written specification of its requirements to include clear standards.

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**(b) Has effective controls against the inconsistent application of the agency's standards;**

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The agency cites that its consistent application of its standards is the result of a multiple layer review and the training it provides to all cohorts in the accreditation process. However, the agency has not demonstrated the effectiveness of its training. As cited in earlier sections, the agency's documentation does not provide sufficient content to demonstrate that the agency has trained its site reviewers and Board members and institutions in the agency's interpretation of its postsecondary standards and indicators. Therefore, there is no evidence of their consistent application.

While the agency does have a multiple level review process (site evaluators and Board members) there is insufficient evidence to demonstrate the consistency of the process. The agency has recently adopted postsecondary standards indicators; however, the institutional self-study documentation and the on-site evaluation report insufficiently and ineffectively demonstrate consistency in the application of its standards. The other materials in the review process do not appear to be more than lists of types of documentation that an institution can use as a basis for developing its self-study (Postsecondary Schools Evidence Guide) and a database framework for storing documents and information (Document Management Tool) and of themselves do not provide a sufficient basis for demonstrating consistency in the application of standards by the agency.

The role of the Reader Reviewer in the postsecondary accreditation process has not been documented and therefore cannot at this time verify the effectiveness of the function as an effective control against inconsistency.

The agency provided evidence of the technical assistance given to a school by the NCA CASI Postsecondary Office.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate that it has effective controls against the inconsistent application of its standards.

#### **Analyst Remarks to Response:**

In its response, the agency has provided additional documents to further illustrate the agency's documented review of its institutions against its standards and indicators as a means for demonstrating its application of its standards in the review process. It has also provided additional documents regarding its training of its lead evaluators . The agency also cites its system for designating expert team members from accredited institutions to review other institutions and its use of all team chairs to also serve as Reader Reviewers to review draft team reports for the principal purpose of ensuring consistency in applying agency standards and providing feedback on this issue to the team chairs.

While the agency has, in place, processes that should help to ensure consistency in the application of its standards, the effectiveness of the agency's controls is not evident due to the numerous revisions of its assessment tools,

policies, and processes during the past two years. The agency needs to demonstrate the effectiveness of its controls by demonstrating consistency in its application and enforcement of its standards, policies, and processes.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate the effectiveness of its controls by demonstrating consistency in its application and enforcement of its standards, policies, and processes.

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**(c) Bases decisions regarding accreditation and preaccreditation on the agency's published standards;**

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It is not clear whether the agency bases its decisions on compliance with the agency's published standards. While the self-study and the site team report are formatted according to agency standards, there is insufficient content and substantive information provided in the documents to make an informed decision on compliance with the standards. For example, the site team report does not demonstrate clearly that required actions cited in the QAR, as a result of the review, are based on specific agency standards. Neither does the report provide substantive content regarding the conclusion of the team regarding an institution's compliance, partial compliance, or non-compliance with the standards and indicators.

Specifically, the agency has not ensured that the Board stays within the perimeters of the standards and the documentation of the complete record before rendering decisions. The Board minutes of the May 2011 meeting clearly show that the Board's secondary reader obtained information about the school from the internet and shared this information with the other members of the Board during a discussion about the institution, prior to making an accreditation decision. The acceptance of outside information creates the appearance that the Board bases its accreditation decisions on more than the review of the record and agency standards.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate effective mechanisms to ensure that the Board has sufficient information on which to base its accreditation decisions on compliance with the agency's published standards.

**Analyst Remarks to Response:**

The requirement of this section is that the agency demonstrate that it bases its decisions on its published standards. In response to the draft staff analysis, that agency has revised its site team report to more clearly link its findings to its standards.

To demonstrate its compliance with this criterion, the agency references the

Board's decision to place institutions on probation based on student outcome information collected in an annual reporting. This action does not sufficiently illustrate how the agency bases its decisions for accreditation and reaccreditation on its published standards.

The Department cited the agency in part due to the insufficient content and substantive information provided in the site team report documents on which to make an informed decision based on compliance with the published standards. In its response the agency stated that it believes that "staff assumptions regarding the lack of analysis of standards and the failure to link the analysis to specific standards and indicators reflects the staff's refusal to review the Document Management Tool, which contains the principal substantive analysis of the standards and indicators." The agency provided pages from the DMT along with the site team report to demonstrate the extent of the information on the standards available to inform the decision. The information under the standards section of the DMT is the same information in the site team report.

The Department staff reiterate what was noted previously, that there is insufficient content and substantive information provided in the site team report/DMT documents on which to make an informed decision of compliance with the published standards. The examples below (from the DMT and site team report) illustrate the basis for the Department's concern that the information provided in the documents is insufficient to conclude that the Board decision is based on compliance with the published standards--

Standard 4, Indicator 4.8: "Number of faculty meets the mission of the institution and program and learner needs"

The site team report and the DMT assessment of compliance with this standard states--

"In addition to being experts in the industry, the instructors are also at the forefront of new methods and ideas within the hot rod industry. During the past year, the faculty members have started participating in more educational related professional development in an effort to enhance their ability to deliver the vast knowledge they have to the students who they are serving."

It is not clear how this assessment demonstrates compliance with the indicator.

Another example of the limited information provided to assess compliance with the agency's published standards --

Standard 4, Indicator 4.1 - Institution's faculty is hired with the prescribed education and/or technical skills through specific wage-earning experiences and/or training and has been deemed qualified by the state accountability or industry credentialing agency requirements to instruct adults. Work experience in compliance with state/local standards may be accepted in lieu of education credentials where credentials/education is consistent with state certifications or

industry requirements.

and

Standard 4, Indicator 4.2 -- Faculty demonstrates competence to teach assigned subjects with the requisite knowledge and skills to provide effective instruction.

and

Standard 4, Indicator 4.3 -- Faculty's training, earned degrees, scholarship, experiences, and classroom performance are commensurate for credential/degree level offered.

The site team report and the DMT assessment of compliance with these indicators/standard states--

"South Dakota postsecondary private schools do not have specific criteria for faculty education/credentials. Faculty meet credentials for this unique specialization."

Again, the assessment is not particularly informative; it does not appear to address the expectations of the indicators nor provide the specificity of information to the Board and on which it can make an informed accreditation decision based on (the compliance with) the agency's published indicators and standards.

Also, the agency is incorrect in its response regarding the NIAAA. The Department did not assert that the NIAAA was a secondary institution; the Department asserts that it is NOT a postsecondary education institution for purposes of the Higher Education Act , including the recognition provisions, and review of the NCA-CASI Bylaws suggests that it also may not conform to the Bylaws and purpose of the NCA CASI. See also staff analysis under 602.23(b).

Staff Determination: The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate effective mechanisms to ensure that the Board has sufficient information on which to demonstrate that its accreditation decisions are based on (compliance with) the agency's published standards.

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#### **§602.19 Monitoring and reevaluation of accredited institutions and programs.**

**(a) The agency must reevaluate, at regularly established intervals, the institutions or programs it has accredited or preaccredited.**

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The agency has written policies indicating that it reevaluates institutions every five years. However, the agency has not provided documentation verifying that it accredits institutions within the 5-year intervals of its policy.

Staff Determination: The agency does not meet the requirements of this section.

The agency needs to provide evidence that it conducts evaluations for accreditation or reaccreditation in compliance with its policies to review an institution every five years.

**Analyst Remarks to Response:**

The agency confirmed that it requires that institutions be reviewed and re-accredited on a five-year cycle. However, the agency documentation does not evidence this. The webshots provided by the agency do not demonstrate that accreditation reviews occur within a 5 year period. The historical actions evidence that the agency does not comply with its policy of conducting 5-year accreditations. For example, Warren County was accredited in April 2005 for a 5 -year period. It was not re-accredited until August 2011; this exceeds the agency policy for reevaluations.

**Staff Determination:** The agency does not meet the requirements of this section. The agency needs to demonstrate that it consistently adheres to its policy to conduct reaccreditation reviews in compliance with its policies to review an institution every five years.

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**(b) The agency must demonstrate it has, and effectively applies, a set of monitoring and evaluation approaches that enables the agency to identify problems with an institution's or program's continued compliance with agency standards and that takes into account institutional or program strengths and stability. These approaches must include periodic reports, and collection and analysis of key data and indicators, identified by the agency, including, but not limited to, fiscal information and measures of student achievement, consistent with the provisions of §602.16(f). This provision does not require institutions or programs to provide annual reports on each specific accreditation criterion.**

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The criterion requires an agency to demonstrate that it has and effectively applies a set of monitoring approaches that can identify problems with continued compliance with agency standards. It must include periodic reports, the collection and analysis of key data and indicators of fiscal information and measures of student achievement. It does not require annual reporting on each specific accreditation criterion.

The agency has written policies requiring that its accredited institutions submit an annual report; these policies also outline the types of information the report must include. The reports are submitted electronically to an agency database. The agency provides a PowerPoint presentation to guide institutions with their completion and submission of electronic reports.

The agency's report format seeks institution narratives in 33 areas plus demographic information on the institution, staff, programs, student enrollment, and student outcomes data by program. The report did not have evidence of

fiscal capacity data. While it is the agency's prerogative to identify the information it seeks in any periodic reporting apart from the required data and indicators of fiscal information and measures of student achievement, the information and format of the information sought by this agency is not commonly requested information by postsecondary accreditors in annual reports. For example, the agency seeks a narrative in such areas as-

- Admission Policies: Describe your documentation process for policies and procedures.
- State approval or program accreditation compliance: Describe your process for state approval or program accreditation compliance.
- Academic integration: How do you integrate academic competencies into career/technical education programs?
- Faculty considerations: Regarding hiring practices, what is the process for hiring faculty? What are the certification requirements? (For example, "We comply with state department teacher certification requirement")
- Student recruiting practices: Describe recruiting practices.
- Strengths- Identify strengths.
- Opportunities for Improvement: Identify opportunities for improvement.

The information requested appears akin to information requested in a self-study. While the agency's written procedures provide that the Postsecondary Office will do an initial review of compliance and prepare a report for the Board, the agency has not provided documentation of any review of the information and Board action nor any evidence of how the information regarding corrective actions taken by the institution on previously identified issues is assessed. While the guidance to institutions reflects the submission of enrollment and student outcomes data, the sample spreadsheets of annual report responses does not include this data. There is no documentation that key data such as fiscal information and graduate placement, licensure/certification and graduation rates are assessed for compliance with agency requirements.

**Staff Determination:** The agency does not meet the requirements of this section. The agency must demonstrate that it has and effectively applies a set of monitoring approaches that can identify problems with continued compliance with agency standards. It must demonstrate that it collects and analyses key data and indicators to include fiscal information and measures of student achievement by institution /program, as appropriate.

#### **Analyst Remarks to Response:**

In the draft staff analysis, the agency did not demonstrate that it has and effectively applies a set of monitoring approaches that can identify problems with continued compliance with agency standards. It must demonstrate that it collects and analyses key data and indicators to include fiscal information and measures of student achievement by institution /program, as appropriate.

Though some of the documents are redundant, in its response, the agency provided numerous documents verifying its collection of vast amounts of information from its institutions. It is not evident, however, how this information is

analyzed to determine continued compliance with agency standards. While the agency provided an example of its actions against institutions that did not meet its student achievement thresholds and student financial aid default rates this year, it has not provided any documentation that it has conducted an analysis of the other information it requires from institutions to illustrate continued compliance with agency standards. The agency has not demonstrated that it has established triggers or other identifiers of changes that would raise concern and action on the part of the agency.

**Staff determination:** The agency does not meet the requirements of this section. It must demonstrate that it collects and analyses sufficient information and data to identify problems with an institutions continued compliance with the agency's standards throughout the period of accreditation.

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**(c) Each agency must monitor overall growth of the institutions or programs it accredits and, at least annually, collect headcount enrollment data from those institutions or programs.**

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The agency has developed a policy that defines the items that institutions must include in their annual reports, including student enrollment. The annual report PowerPoint made available to institutions as guidance in their completion of the annual report includes screens that indicate that institutions are to enter enrollment data by program.

The agency's annual report documentation does not include this data. The agency needs to demonstrate that it collects headcount enrollment data at least annually. The agency must demonstrate that it reviews the annual headcount data to monitor overall growth at its accredited institutions.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it collects headcount enrollment data at least annually. The agency must demonstrate that it reviews the annual headcount data to monitor overall growth at its accredited institutions.

**Analyst Remarks to Response:**

The agency is required to demonstrate that it collects headcount enrollment data at least annually and to demonstrate that it reviews the annual headcount data to monitor overall growth at its accredited institutions.

The documentation uploaded by the agency with its original petition was Exhibit 82a: 2010 Annual Report Data. This document does not include headcount enrollment data. In its response to the draft staff analysis, the agency has uploaded Exhibit 82a: Annual Report Sample Headcount. This document does include headcount data. The mistake on the part of the agency is

understandable as it has provided over 400 documents.

The agency also provided a sample of a trend analysis of institutional headcount. It is unclear why the agency provided only an abbreviated listing when it has approximately 193 institutions. The abbreviated sample does not demonstrate that the agency collects the data from every institution as required or that it conducts the trend analysis on every institution as part of its monitoring of its overall growth.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it collects headcount enrollment data at least annually. The agency must demonstrate that it reviews the annual headcount data to monitor overall growth at its accredited institutions.

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**(d) Institutional accrediting agencies must monitor the growth of programs at institutions experiencing significant enrollment growth, as reasonably defined by the agency.**

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The agency has a definition of significant enrollment growth/decline in ON-CAMPUS enrollment. Significant enrollment growth is to be reported through the agency's substantive change process. Under the agency's policy, significant growth is defined as a 25% increase in student population or excess of 100 students whichever number is greater. The agency's policy is not compliant as the criterion is not limited to only on-campus enrollment. The agency must revise its policy to apply its definition of significant enrollment growth to the total institution enrollment.

The agency has not demonstrated that it collects and assesses institutional enrollment data. It must also demonstrate that it has an effective mechanism in place to monitor the growth of programs at those institutions experiencing significant enrollment growth.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must revise its policy to apply its definition of significant enrollment growth to the total institution enrollment. The agency must also demonstrate that it collects and assesses institutional enrollment data and also demonstrate that it has an effective mechanism in place to monitor the growth of programs at those institutions experiencing significant enrollment growth.

**Analyst Remarks to Response:**

The agency is required to monitor overall enrollment growth at institutions it accredits and the enrollment growth of programs at institutions that are experiencing significant enrollment growth. Under this criterion, the agency must define what it considers to be significant institutional enrollment growth.

In its petition, the agency directed the Department to its substantive change policy regarding the agency's requirement to report significant enrollment growth, which the Department accepted as describing the agency's definition of "significant enrollment growth". However, based on the agency's response and a review of the agency's policies, it is unclear that the agency has a policy that defines "significant institutional enrollment growth" for the purposes of the agency's annual monitoring. Neither has the agency demonstrated that it monitors the overall growth of institutional enrollment annually, identifies those institutions that experience significant enrollment growth, and monitors, by program, those that experience significant enrollment growth.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it has a written policy defining (reasonable) significant institutional enrollment growth for the purposes of annual monitoring and demonstrate that it monitors the overall growth of institutional enrollment annually, identifies those institutions that experience significant enrollment growth, and monitors, by program, those that experience significant enrollment growth.

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#### **§602.20 Enforcement of standards**

- (a) If the agency's review of an institution or program under any standard indicates that the institution or program is not in compliance with that standard, the agency must--
- (1) Immediately initiate adverse action against the institution or program; or
- (2) Require the institution or program to take appropriate action to bring itself into compliance with the agency's standards within a time period that must not exceed--
- (i) Twelve months, if the program, or the longest program offered by the institution, is less than one year in length;
- (ii) Eighteen months, if the program, or the longest program offered by the institution, is at least one year, but less than two years, in length; or
- (iii) Two years, if the program, or the longest program offered by the institution, is at least two years in length.
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The agency has written policies and procedures that define the various accreditation statuses and the agency's enforcement practices. The agency's written policies also describe the agency's requirement that institutions address noncompliance with agency requirements within timeframes established by the agency. By policy, these timeframes can extend from 60 days to 18 months (or 2 years if the longest program at the institution is at least 2 years in length). These timeframes as written are consistent with the criterion.

However, the agency has not demonstrated that it enforces the intent of the criterion, which is that when the agency's review under a standard identifies areas that are not in compliance with the standard, the agency will require the institution to take corrective action. The indicators define the standard. As previously identified, the site visit report of an institution under the current postsecondary education standards, identified numerous indicators (to exceed 50% of the indicators in two of 5 standards) that either did not meet or only partially met the agency's measurement indicators, yet the agency has not taken action to require the institution to address these issues/findings.

Neither has the agency provided sufficient documentation to demonstrate the Board had taken action within the proscribed timelines for corrective action. Additionally, the reports provided by the agency represented application of the former standards in which the agency did not distinguish the application of its standards whether applied to secondary or postsecondary vocational educational programs.

**Staff Determination:** The agency does not meet the requirements of this section of this criterion. The agency must demonstrate that it enforces its standards and indicators in accordance within the intent of the criterion, which is, that when the agency's review under a standard identifies areas that are not in compliance with the standard, the agency will require the institution to take corrective action. The agency must also demonstrate that it has applied its enforcement policies and procedures with documentation sufficient to demonstrate that its actions were taken in compliance with the timelines required by this criterion.

#### **Analyst Remarks to Response:**

The agency's revised policy does not appear to comply with the requirements of this criterion that an agency either take immediate adverse action (defined by the criteria as an action to terminate the institution's accreditation) or to allow the institution period of time, specific to the limits of the criterion, to come into compliance. The policy states that "if sufficient progress is not noted within the noted time periods, the Board of Directors shall move the institution to Accredited on Probation status or drop the institution's accreditation/"

The agency's policies are not clear in requiring an institution to come into compliance within the timeframes of the criterion. If the institution does not come into compliance within the timeframes the agency must initiate action to terminate the institution's accreditation unless in rare and unusual circumstances a good cause extension is warranted. Placing an institution on probation if it extends the timeframe of this criterion is not compliant with this criterion.

Though the agency has recently placed institutions on probation for failure to meet student achievement thresholds, the agency has not provided sufficient evidence of its review and determination that institutions found to be non-compliant with agency standards have come into compliance within the timeframes of this criterion.

**Staff Determination:** The agency does not meet the requirements of this section of this criterion. The agency must review and revise its policies to comply with the requirements of this criterion. The agency must also demonstrate its review and determination that institutions found to be non-compliant with agency standards have come into compliance within the timeframes of this criterion.

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**(b) If the institution or program does not bring itself into compliance within the specified period, the agency must take immediate adverse action unless the agency, for good cause, extends the period for achieving compliance.**

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The agency has a written policy for granting extensions for good cause. The policy states that "if an institution does not address the required actions or fails to submit a progress report by the designated deadline, the deadline may be extended for good cause. An institution shall be deemed to be on "probation" only in a case where the time periods prescribed in the regulations for coming into compliance are extended. Said probationary period shall not exceed 12 months . . ."

The Department expects extensions for good cause to be rare and used only under extenuating circumstances of very limited duration. The agency's policy suggests that extensions for good cause may be considered in the failure of an institution to submit a progress report. Failure to submit a report does not meet the threshold of a rare and extenuating circumstance. Also, the agency provides no evidence of any probationary periods of less than 12 months, thereby insinuating that a 12-month extension is the rule, which does not address the threshold of limited duration.

The agency policy further identifies the basis for its consideration of an extension for good cause: evidence provided by the institution that it has made significant progress in coming into compliance, articulates a persuasive, good faith justification for the extension, and provides a realistic plan with specific action steps and timelines for coming into full compliance. However, the agency has not provided the facts or the documentation necessary to support its compliance with this criterion.

Neither has the agency demonstrated that it takes immediate adverse action to withdraw accreditation in instances that the program does not come into compliance with agency standards.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must establish policies that reflect that the agency will allow for extensions for good cause to be rare and used only under extenuating circumstances and of very limited duration. The agency must demonstrate that it has and effectively applies policies for granting extensions or taking immediate adverse action to withdraw accreditation, as appropriate.

### **Analyst Remarks to Response:**

The agency has a written policy for granting extensions for good cause. The policy states that "if an institution does not address the required actions or fails to submit a progress report by the designated deadline, the deadline may be extended for good cause. An institution shall be deemed to be on "probation" only in a case where the time periods prescribed in the regulations for coming into compliance are extended. Said probationary period shall not exceed 12 months . . .".

The Department expects extensions for good cause to be the exception rather than routine. The agency's policy suggests that extensions for good cause may be considered in the failure of an institution to submit a progress report. Failure to submit a report is entirely within an institution's control and reflects that agency policy lacks any substance. Also, the agency provides no evidence of any probationary periods of less than 12 months, thereby insinuating that a 12-month extension is the rule. The length of the extension should be determined based on circumstances rather than an automatic 12 months.

In its response to the draft staff analysis, the agency claims that it cannot provide documentation to support its compliance with granting "Show Cause extensions" [sic] for a period less than 12 months because it has recently amended its policies and no institution has been placed on Show Cause. The issue raised by the Department concerned good cause extensions, not Show Cause.

Though the agency has been accrediting institutions for a number of years, it has not demonstrated in its petition its application of extensions for good cause and/or evidence that it has taken an adverse action when an institution does not come into compliance with agency standards. .

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must establish policies that reflect that the agency will allow for extensions for good cause as the exception rather than the rule and with case-by-case consideration of its duration. The agency must demonstrate that it has and effectively applies policies for granting extensions or taking immediate adverse action to withdraw accreditation, as appropriate.

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### **§602.21 Review of standards.**

- (a) The agency must maintain a systematic program of review that demonstrates that its standards are adequate to evaluate the quality of the education or training provided by the institutions and programs it accredits and relevant to the educational or training needs of students.**
- (b) The agency determines the specific procedures it follows in evaluating its standards, but the agency must ensure that its program of review--**

- 
- (1) Is comprehensive;**
  - (2) Occurs at regular, yet reasonable, intervals or on an ongoing basis;**
  - (3) Examines each of the agency's standards and the standards as a whole; and**
  - (4) Involves all of the agency's relevant constituencies in the review and affords them a meaningful opportunity to provide input into the review.**
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The agency has written policy/procedures to conduct a review of its standards, to assess the clarity, specificity, validity, reliability, consistency, and adequacy of the standards to measure the quality of education being provided, that include each of the requirements under this criterion.

The agency indicated that it reviews its standards every 5 years and on an on-going basis, but has not demonstrated this process. The agency provided no evidence that it has conducted such reviews. Rather the agency reports and provides documents of its recent initiative to develop new standards to evaluate postsecondary institutions offering career and technical programs.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it has conducted a systematic review of its standards as outlined in its policies and procedures and as required by this criterion.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency acknowledged that the previously submitted materials documented the development of a new set of standards to evaluate postsecondary institutions, and that process did not provide documentation of a systematic program of review.

The agency provided documentation of the start of its systematic program of review in 2009, prior to the decision to create a new set of standards. That documentation includes the action plan and timeline to review the standards; and invitation, agenda, presentation, and participant list for a webinar to review standards.

The action plan states that a survey of schools and districts to solicit feedback about the standards would occur in 2009, but no documentation of that survey was provided to demonstrate that the input was solicited, or that comments were reviewed. In addition, the documentation of participation of 10 individuals in one webinar session in 2010 does not demonstrate that the agency involves all of its relevant constituencies in the standards review process. And, no documentation was provided to demonstrate that comments by the participants were reviewed or that any other meaningful opportunity was afforded them or any of the

agency's other constituencies to provide input into the review.

The agency also provided the action plan and timeline to review the standards from 2005, but no documentation was provided to support the plan, or to demonstrate compliance with this section of the criteria.

Finally, the agency provided the composition of the task force convened to significantly revise the standards in 2010, but that composition does not demonstrate that all of the agency's relevant constituencies were included in the review or afforded a meaningful opportunity to provide input into the review.

**Staff determination:** The agency does not meet the requirements of this section. It must demonstrate that the agency sought and reviewed input from its communities of interest before developing draft changes to the standards.

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**(c) If the agency determines, at any point during its systematic program of review, that it needs to make changes to its standards, the agency must initiate action within 12 months to make the changes and must complete that action within a reasonable period of time. Before finalizing any changes to its standards, the agency must--**

- (1) Provide notice to all of the agency's relevant constituencies, and other parties who have made their interest known to the agency, of the changes the agency proposes to make;**
  - (2) Give the constituencies and other interested parties adequate opportunity to comment on the proposed changes; and**
  - (3) Take into account any comments on the proposed changes submitted timely by the relevant constituencies and by other interested parties.**
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The agency has written policy for the revision of its standards to include initiating this process within 12-months of identifying the need to revise its standards.

The agency has described the process used to develop the current postsecondary education standards, formally implementing these new standards in March 2011. The mechanisms used by the agency involved a task force to review the draft standards, but does not describe all of its constituents, specifically employers, graduates, evaluators, etc. or discuss their input. In addition, the information provided suggests that the agency did not include a representative sample in its survey questions or forums, to ensure the validity and reliability of the review of each and all of its standards. In addition, the students who responded indicated they did not understand the survey questions or did not find the questions relevant to them. Review of the documents reveals that the agency's surveys did not contain sufficient information designed to the target audience.

As stated above the agency must ensure that it provides meaningful notice and adequate opportunity for constituent comments. The agency performed a herculean task in developing the postsecondary standards adopted in March 2011. However, the agency gave its constituents a limited amount of time to respond, less than a month. Based on the limited number of responses from a limited constituent sample, there is no indication that any of the suggestions received were considered in the adoption of the new standards.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it provides notice and adequate opportunity for comment from a relevant sampling of all internal and external constituent groups, and takes into account their comments for proposed changes.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided additional information and documentation concerning its process to change its standards.

The agency stated that it previously included a sample of surveys, but now included the complete set of survey responses received to demonstrate that the survey included sufficient and relevant information to provide a valid and reliable review of all of its standards. However, the survey responses were not attached, therefore the Department could not verify that assertion.

With regard to the sufficient notice and opportunity by all stakeholders in the process, the agency states that the Department was informed of the proposed timeline via the submitted compliance plan and expressed no concern at that time. The Department's acceptance of the plan was not compliance determination, which is noted explicitly in the second paragraph of the letter from the Department.

As no other additional documentation was provided, the Department could not determine that the agency provides notice and adequate opportunity for comment from a sampling of all relevant internal and external constituent groups, and takes into account their comments for proposed changes.

**Staff determination:** The agency does not meet the requirements of this section. It must demonstrate that it notifies all of its relevant constituencies and other interested parties of proposed standards changes, provides an opportunity to comment on the proposed changes, and takes into account any comments on the proposed changes submitted timely.

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**§602.22 Substantive change.**

**(a) If the agency accredits institutions, it must maintain adequate substantive change policies that ensure that any substantive change to the educational mission, program, or programs of an institution after the agency has accredited or preaccredited the institution does not adversely affect the capacity of the institution to continue to meet the agency's standards. The agency meets this requirement if--**

- (1) The agency requires the institution to obtain the agency's approval of the substantive change before the agency includes the change in the scope of accreditation or preaccreditation it previously granted to the institution; and**
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The agency has written substantive change policies and procedures that require institutions to submit requests for the approval of substantive changes to the Board of Directors at least 60 days prior to the occurrence of the change. The policies direct that the requested change must include documentation demonstrating that the proposed change does not adversely affect the institution's capacity to continue meeting the agency's standards.

The agency has developed a standardized form identifying the required information/documentation that the institution is to submit with its request. The requirements are tailored to the type of substantive change being requested. The agency submitted an example of a substantive change request as evidence of its application of its policies. The example provided does not contain all of the required information nor does the application provide sufficient information to conduct an assessment of the quality (breadth/depth) of the programs to be offered or the impact of the additional programs on the current program offerings and the institution's ability to meet agency standards.

Furthermore, the information requirements for some of the substantive changes will yield insufficient information on which to make an informed judgment. For example, the substantive change form identifies the information requirements for requesting a change in mission to be: what is the new mission, process to develop the new mission, and implementation of the new mission. The policy identifies two additional information areas, but in neither document does the agency request information on how the change in mission impacts current scope of accreditation, i.e., educational programs and students, an area that it would be expected to review under the circumstances.

The agency provided no evidence of having review protocols and evaluative criteria for assessing the various substantive change requests for quality and its impact on the institution's current programming and its compliance with agency standards. The agency provided no evidence of a review of the example request; it did provide evidence of the Board decision to grant the request.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it has policies and procedures for

submitting and reviewing substantive change requests that are of sufficient depth and breadth to ensure the quality of the substantive change and to ensure that it has no negative impact on the institution's current offerings and its ability to meet the agency's standards.

**Analyst Remarks to Response:**

This criterion requires that the agency ensure that a proposed change does not adversely affect the capacity of the institution to continue to meet the agency's standards. The agency stated in its response that it gets sufficient information from the institution on which a judgment can be made, noting that an institution is required to provide specific documentation for each type of substantive change and an explanation to assure the change does not impact adherence to NCA CASI standards and policies. The agency provided one example (of an addition of a new program) that shows the institution submitted the required documents; however, the institution's explanation regarding the impact of the change on its adherence to the agency's standards and policies consisted of a statement that the institution "attest[s] to the fact that this program does not impact our adherence to those standards and policies." Such a self-attestation does not provide sufficient information about the possible impact of the proposed change on continued compliance with agency standards.

The agency also included in its response, that staff and the Board of Directors assess the information in the institution's application by examining all NCA CASI standards "to see which may be implicated by the proposed change and analyzing the institution's ability to meet those standards if the substantive change is approved." However, the agency did not provide any information about the way the information is assessed, such as a protocol or evaluative criteria, claiming that this is not required by the regulation. The minutes of the Board meeting at which six substantive changes were approved, including the addition of a program, indicate that the Board members were given the substantive change package, including the required documentation. However, the minutes do not demonstrate the Board's assessment of that information; they merely report that after discussion and review, the Board approved the change. Absent any guidance on how the staff and Board members should do an assessment, there is no assurance that substantive changes are being thoroughly and consistently evaluated.

**Staff determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it has policies and procedures for submitting and reviewing substantive change requests that are of sufficient depth and breadth to ensure the quality of the substantive change and to ensure that it has no negative impact on the institution's current offerings and its ability to meet the agency's standards, and that evaluation is consistent..

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**(3) The agency's substantive change policy must define when the changes made or proposed by an institution are or would be sufficiently extensive to require the agency to conduct a new comprehensive evaluation of that institution.**

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The criterion requires the agency to have and demonstrate that it has defined those circumstances when substantive changes requested and/or previously approved result in such extensive changes to the institution that it call into question whether the institution is still for all intents and purposes the same institution that was reviewed and granted accreditation. Under those circumstances the agency is required to conduct a comprehensive evaluation for accreditation (self-study, full on-site review, and decision).

The agency's policies contradict the requirement of this section of the criteria. Under Policy 9.01 the agency policy states. "With the approval of the NCA CASI Board of Directors, a consolidated institution may claim continuing accreditation provided that at least one of the institutions involved in the consolidation was accredited at the time of the consolidation."

The policy continues, "A new institution or institutions formed by reorganization of an accredited institution may continue accreditation with the approval of the NCA CASI Board. The new institution or institutions shall be expected to meet all membership requirements as fully as would any other member institution. The Board shall determine whether the reorganized institution must undergo a full accreditation visit."

These policies are a flagrant disregard of the responsibility of an accrediting agency to conduct thorough reviews whenever there are changes at institutions that may impact the quality of the education provided by that institution. Consolidations and reorganizations result in gross changes in any institution, and most clearly are some of the changes relevant to the requirements of this criterion.

The agency has not demonstrated that it has policies that fulfill the requirement of this criterion. There is no evidence that the agency has given consideration to circumstances that may result in the institution morphing into a different institution than that which was previously accredited. The agency policies do not identify the requirement that institutions are to submit to full accreditation re-evaluation under those circumstances.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it has policies which identify those circumstances that it believes may result in the institution morphing into a different institution than that which was previously accredited, that it effectively applies those policies, and that it requires that institutions submit to a full accreditation re-evaluation under those circumstances.

### **Analyst Remarks to Response:**

In its response to the draft staff analysis, the agency stated that it had modified its Policy 9.01 concerning institution consolidation or reorganization, and its Policy 8.05 concerning tracking and monitoring of substantive changes. The modifications to Policy 9.01 partially address the Department's concerns by requiring, as part of the approval process for accreditation following a consolidation or reorganization, a comprehensive review of the consolidated or reorganized institution to include a self-study, full on-site review, preparation of a review team report, and Board review and decision. This policy effectively and adequately identifies two instances where changes are so extensive as to require a new comprehensive review. The agency stated that it has not had an opportunity to apply its policy on consolidation/reorganization.

Policy 8.05 states that the agency will track and monitor all substantive changes requested/granted by each institution and that NCA CASI staff will analyze the documentation and rationale and make recommendations for Board consideration. The Board has the authority to require a comprehensive site visit to determine compliance of an institution "where said substantive change requests are deemed by the Board to warrant a comprehensive review with NCA CASI standards." The policy is insufficiently clear about what circumstances would cause the Board to require a new comprehensive review. In addition, the policy speaks of a "comprehensive visit" and a "comprehensive review" as if they were synonymous. This criterion requires that institutions submit to a full accreditation re-evaluation when substantive changes are or would be so extensive that the institution is effectively morphing into a different institution than was previously accredited.

Staff determination: The agency does not meet the requirements of this criterion. The agency must provide further evidence that it has policies which identify those circumstances that it believes may result in the institution morphing into a different institution than that which was previously accredited, that it effectively applies those policies, and that it requires that institutions submit to a full accreditation re-evaluation under those circumstances.

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(c) Except as provided in (a)(2)(viii)(A) of this section, if the agency's accreditation of an institution enables the institution to seek eligibility to participate in Title IV, HEA programs, the agency's procedures for the approval of an additional location where at least 50 percent of an educational program is offered must provide for a determination of the institution's fiscal and administrative capacity to operate the additional location. In addition, the agency's procedures must include--

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This section of the criteria regarding substantive changes focuses on the requirement that the agency determine whether the institution has the fiscal and administrative capacity to operate an additional location. This section specifically requires the agency to make this determination if the agency's accreditation enables the institution to seek eligibility to participate in Title IV programs. The agency's policy is not clear in establishing whether the agency is to review the fiscal viability of the institution to operate the additional location without impact on its current programming or if the agency is to review the fiscal resources provided to the additional location, or both.

The agency documentation of a site visit to two additional locations under a substantive change request did not address the institution's fiscal or administrative capacity to support the additional locations nor the fiscal resources for the additional location.

**Staff Determination:** The agency does not meet the requirements of this section of the criterion. The agency must demonstrate that it has and effectively applies criteria for determining whether the institution has the fiscal and administrative capacity to operate an additional location.

#### **Analyst Remarks to Response:**

The draft staff analysis found that the agency's policy was not clear in establishing whether the agency is to review the fiscal viability of the institution to operate the additional location or if the agency is to review the fiscal resources provided to the additional location, or both. In its response, the agency stated that it has revised its Policy 9.04 to make clear that it examines the fiscal and administrative capacity of the institution to operate the additional location by requiring the institution to submit projected revenues, expenditures, and cash flows; and operation, management, personnel, and physical resources "to demonstrate that it has the fiscal and administrative capacity to operate the additional location." In addition, the policy continues to require a review of documentation and a determination that the additional location has sufficient educational, financial, operational, management, administrative, and personnel and physical resources to meet the NCA CASI standards and policies. The documentation provided to the agency through the substantive change process is focused on the location, rather than the institution. It is not clear what mechanism the agency uses to obtain the documentation of the institution's capacity to operate the additional location.

The agency states that it has not reviewed a request to establish an additional location, though it did provide documentation of such a review in its initial submission, which was found to be insufficient to demonstrate compliance with this criterion. The documentation the agency provided with its response is of the review of a request to operate a branch campus. The documentation makes it clear that the branch campus is the focus of the agency's review and does not demonstrate the agency's assessment of the institution's fiscal and administrative capacity to operate the branch campus/additional location.

Staff determination: The agency does not meet the requirements of this criterion. It must clarify in its policies and procedures how it obtains, and assesses, the documentation from an institution and makes a determination of an institution's fiscal and administrative capacity to operate an additional location at which over 50% of a program is offered. In addition, the agency must document and demonstrate its effective application of its additional location review policies and protocols.

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**(c)(1) A visit, within six months, to each additional location the institution establishes, if the institution--**

- (i) Has a total of three or fewer additional locations;**
  - (ii) Has not demonstrated, to the agency's satisfaction, that it has a proven record of effective educational oversight of additional locations; or**
  - (iii) Has been placed on warning, probation, or show cause by the agency or is subject to some limitation by the agency on its accreditation or preaccreditation status;**
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The agency's policies with regard to the requirement on the agency to conduct a site visit to additional locations within 6 months of the establishment of the location are not written clearly, are conflicting, and do not meet the requirements of this criterion. The agency's policy 8.02j requires the agency to schedule a site visit within six months of receipt of documentation for a request for approval to establish an additional location. The requirement of the criterion is for the site visit to take place within 6 months after establishing the location to verify that the location has the personnel, facilities, and resources it claimed in the application. The information provided in the one-page site visit document only covered physical resources at the two locations and did not review the institution's operation, management and physical resources, program offerings, projected revenues, expenditures, and cash flow.

Policy 9.04 states, "A special site visit may be recommended by the NCA CASI Postsecondary Office for any Institution opening a new location." Also noncompliant with the requirements of this criterion, the agency's policy further indicates that if an institution adds two or more additional locations in a calendar year, visits will take place within 6 months of the second location. The criterion requires that site visits take place within 6 months of the establishment of each location. Moreover, the Board approved the additional two locations at its January 2009 meeting, without any indication that the institution met any of the three factors in section (c)(1)(i), (ii) or (iii) of this criterion or that the agency conducted a site visit within six months of establishment at each additional location.

Staff Determination: The agency does not meet the requirements of this section

of the criteria. The agency must amend its policies to meet the requirements for conducting site visits to additional locations established under the requirement of this criterion. It must also demonstrate that the site visit includes a review of all of the elements in this criterion. The agency must document and demonstrate its effective application of its substantive change site visit review policies and protocols.

**Analyst Remarks to Response:**

The agency was previously cited for not having compliant policies regarding onsite review of additional locations established under the requirement of this criterion. In its response the agency stated that it has revised its Policy 9.04 to make clear that the agency will conduct a visit to an additional location within six months of the establishment of the location.

The documentation the agency provided of a site visit to a branch campus of one of its accredited institutions, which included a site visit report and additional information and documents regarding the facilities, financial and personnel resources housed in the Document Tool, provides evidence that the agency reviewed the personnel, facilities and resources of the branch campus, a specific type of additional location. However, it is insufficient to verify that the visit took place within six months of the establishment of the branch campus.

Staff determination: The agency does not meet the requirement of this criterion. The agency must provide documentation of its effective review of an additional location, including a site visit within six months of the establishment of the additional location.

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**(c)(3) An effective mechanism, which may, at the agency's discretion, include visits to additional locations, for ensuring that accredited and preaccredited institutions that experience rapid growth in the number of additional locations maintain educational quality.**

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The agency's narrative and the policy it cites pertaining to additional locations does not apply, as written, to this criterion. While the agency references its requirement that an "interim visit" will be required in instances of a 25% increase or excess of 100 students, whichever is greater, this policy is not applicable as this criterion addresses rapid growth in the number of locations, not enrollment.

The agency has not demonstrated that it has developed and/or implemented policies and procedures that address the requirement of this criterion, which is that the agency has an effective mechanism (which may include visits to additional locations) for ensuring that institutions that are experiencing rapid growth in the number of additional locations are maintaining educational quality.

Staff Determination: The agency does not meet the requirements of this

criterion. The agency must adopt policies and procedures that will establish an effective mechanism for ensuring that institutions that are experiencing rapid growth in the number of additional locations are maintaining educational quality.

**Analyst Remarks to Response:**

The agency was previously cited for not having policies and procedures that will establish an effective mechanism for ensuring that institutions that are experiencing rapid growth in the number of additional locations are maintaining educational quality. The agency states that it has revised its Policy 9.04 to define "rapid growth" as the addition of two or more additional locations in a calendar year and to require a comprehensive accreditation review, including site visits to the main location and the additional locations. The policy further provides that the visits will take place within six months of the establishment of the second location within a calendar year.

What is not clear is what the agency means by the term "comprehensive accreditation review" in the context of this policy. That term generally means the development and review of an institutional self-study, a site team visit and report, the institution's response to the site team report, and a decision by the commission. The agency's policy states that the site visit would take place six months after the establishment of the second additional location, which would seem to provide insufficient time for the development and review of an institutional self-study.

Staff determination: The agency does not meet the requirement of this criterion. The agency must clarify what constitutes the review it will conduct of institutions experiencing rapid growth in the number of additional locations and adopt procedures that will establish an effective mechanism for ensuring that institutions that are experiencing rapid growth in the number of additional locations are maintaining educational quality.

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**(d) The purpose of the visits described in paragraph (c) of this section is to verify that the additional location has the personnel, facilities, and resources it claimed to have in its application to the agency for approval of the additional location.**

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The agency has not provided adequate evidence that its site visit, conducted as part of the substantive change process, adequately verifies the personnel, facilities, and resources the institution claimed to have in its application. While the agency has policies for the collection of information in the required areas for this type of substantive change (additional locations), the agency's substantive change request process lacks adequate guidance to institutions in the development of the request to ensure that sufficient substantive information is provided. As well, the process lacks adequate structure to guide the site visit to ensure that the information upon which the approval was granted is verified and

appropriately documented.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it has established and implemented a more rigorous and structured process for collecting substantive information in the required areas for requesting approval to establish an additional location. The agency must also demonstrate that it has an effective process for conducting a site visit at an additional location to ensure that the information upon which the approval was granted is verified and appropriately documented.

**Analyst Remarks to Response:**

In the draft staff report, the agency was cited for having a substantive change request process lacking adequate guidance to institutions in the development of the request and for providing inadequate structure to guide the site visit to ensure that the information upon which the approval was granted is verified and appropriately documented.

In its response, the agency stated it provides its institutions with adequate guidance regarding the information required and collected for site team visits to additional locations, including information on personnel, facilities, and resources. The guidance takes the form of a list of required documentation to include in a substantive change request. It should be noted that the agency only recently modified its Policy 8.02j by adding two pieces of required documentation: (1) operation, management and physical resources; and (2) personnel at the location; both of which are critical to the required review of "personnel, facilities, and resources." The agency has not demonstrated that the documentation provided by institutions meets the agency's expectations, which would be evidence that the list is sufficient guidance to the institutions.

The two examples the agency provided of reviews of additional locations and a branch campus show the need for more structure to the site visits. The report of the visit to BIR Training Center includes detailed information about the physical facilities, but nothing specific about the personnel at the location such as instructional, administrative, and student support staff. The report of the visit to Computer Systems Institute contained detailed descriptions of the physical facility, information about student orientation sessions, discussion of where information about fiscal and other resources could be found (in the Document Management Tool), and a statement that the reviewer had interviewed 6 staff and 25 students. Neither of the reports refers to the application. The reports do not evidence a structured approach to the site visit. It is not clear if or how site reviewers are informed what should be addressed in the report and what information should be entered into the Document Management Tool.

**Staff determination:** The agency does not meet the requirements of this section. The agency must demonstrate that it has an effective process for collecting substantive information in the required areas for requesting approval to establish an additional location. The agency must also demonstrate that it has an effective process for conducting a site visit at an additional location to ensure that the

information upon which the approval was granted is verified and appropriately documented.

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### **§602.23 Operating procedures all agencies must have.**

- (a) The agency must maintain and make available to the public, upon request, written materials describing--**
  - (1) Each type of accreditation and preaccreditation it grants;**
  - (2) The procedures that institutions or programs must follow in applying for accreditation or preaccreditation;**
  - (3) The standards and procedures it uses to determine whether to grant, reaffirm, reinstate, restrict, deny, revoke, terminate, or take any other action related to each type of accreditation and preaccreditation that the agency grants;**
  - (4) The institutions and programs that the agency currently accredits or preaccredits and, for each institution and program, the year the agency will next review or reconsider it for accreditation or preaccreditation; and**
  - (5) The names, academic and professional qualifications, and relevant employment and organizational affiliations of--**
    - (i) The members of the agency's policy and decision-making bodies; and**
    - (ii) The agency's principal administrative staff.**

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The agency has adopted the language from this criterion as its written policy for maintaining and making available information to the public and therefore its policy includes the information required by and listed in Section (a)(1) through (a)(5) of this criterion. The agency has provided evidence that it has a written document that includes the names, academic and professional qualifications, and relevant employment and organizational affiliations of the members of the Board of Directors that it can make publicly available. However, the agency has not documented that it has a similar document for the members of the Appeals Panel, which is a decision making body. It is not apparent that the agency will remember its requirement to make publicly available information about its Appeal panel members unless it specifically identifies this entity in its policies.

Neither has the agency documented that it has a similar document readily available that includes the names, academic and professional qualifications, and relevant employment and organizational affiliations of the members of its principal staff.

Finally, while the agency's website includes a listing of its accredited institutions, it does not include the year when the agency will next review or reconsider the institution for accreditation or pre-accreditation.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that it makes publicly available a listing of its accredited institutions, that includes the year when the agency will next review or reconsider the institution for accreditation or pre-accreditation. It must also demonstrate that it has readily available, documents that include the names, academic and professional qualifications, and relevant employment and organizational affiliations of the members of its Appeals panel and its principal staff. In addition, the agency needs to revise its policies to ensure that the same information regarding the public information on the Appeals Panel is accessible and available.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided its revised Policies 15.01(d) and 18.02(e), which state that the agency must make publicly available information regarding qualifications and employment affiliations of its principal staff and standing appeals committee members. Staff verified that all of the required information about appeals committee members, and some of the required information for staff members, is available on the agency's website. There is no information about the academic and professional qualifications of staff.

The agency noted that it indicates on its website the year in which the institution will next undergo a comprehensive review. Staff verified that the accreditation expiration date is included in the summary information about each institution and that there is link that brings up a pop-up box that explains that this date marks five years after the begin date of current accreditation term and that the Agency reviews the institution during the school year prior to the expiration of its accreditation date.

**Staff determination:** The agency does not meet the requirement of this criterion. The agency needs to demonstrate that it provides information to the public about the academic and professional qualifications of its staff.

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**(b) In providing public notice that an institution or program subject to its jurisdiction is being considered for accreditation or preaccreditation, the agency must provide an opportunity for third-party comment concerning the institution's or program's qualifications for accreditation or preaccreditation. At the agency's discretion, third-party comment may be received either in writing or at a public hearing, or both.**

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The agency has a written policy that delegates its responsibility to the institution to notify the public of the upcoming accreditation on-site review and to ensure that third parties have an opportunity to submit comments, as well as to whom to direct their comments.

However, the agency has not demonstrated that it provides sufficient guidance to the institution regarding the notification to ensure that it is an effective mechanism for obtaining public comment. For example, while the agency has provided a “sample” template, the sample does not include any information on how and when it should be published, where it is to be published, for how long it should be published, what is the timeframe for receiving comments, and what is the nature of the comments it seeks.

The agency has not provided sufficient evidence that the notices are routinely published nor any evidence of the agency taking action to ensure they are published.

However, the documentation provided by the agency under this section that raises a critical issue to the Department -- the agency’s lack of understanding of a postsecondary education institution and its role as an accrediting agency recognized for its accreditation of non-degree postsecondary education institutions.

The notice that the agency provided with the petition was published by the National Interscholastic Athletic Administrators Association announcing its upcoming site visit as part of the process it is undertaking to move forward from candidacy to accreditation. The NCA CASI and the NIAAA websites both verify that NCA CASI did grant accreditation to the organization. The website states, “NIAAA Accredited as a Career, Technical and Postsecondary Education Institution.”

However, the organization is not a postsecondary education institution as defined by the Department, or the organization. The organization is, as stated on its website, “A national organization for any person involved in interscholastic athletics at any level.” “The National Interscholastic Athletic Administrators Association preserves, enhances and promotes the educational values of interscholastic athletics through the professional development of its members in the areas of education, leadership, and service. The NIAAA’s commitment to leadership programs, resources and services support the athletic administrator’s efforts in providing quality athletic participation opportunities for students. The NIAAA promotes a positive working relationship with state athletic administrator and State and national athletic/activity associations in addition to developing strategic alliances with other education based agencies.”

The NCA CASI By-Laws state explicitly that the sole purpose of its accreditation includes—

1. Accrediting institutions of higher education in any and all geographic locations authorized by the U.S. Department of Education, including vocational career/technical education institutions, in order to enable those institutions to participate in one or more federal programs under the Higher Education Act.

The accreditation of this organization does not fall within the Bylaws and purpose of the NCA CASI.

The agency's accreditation of this organization as a postsecondary education institution calls into question both the integrity of the agency and its fundamental lack of understanding of the requirements and expectations of what is postsecondary education accreditation. The latter issue has been pointed out throughout this analysis.

**Staff Determination:** The agency does not meet the requirements for this criterion. The agency must demonstrate that it has and applies effective procedures for providing for and receiving third party comments concerning an institution's qualifications for accreditation during the accreditation review process. The agency must be able to demonstrate that it understands the requirements and expectations of postsecondary education accreditation and conducts its activities within the scope of its purpose and Bylaws.

**Analyst Remarks to Response:**

In the draft staff analysis, the agency was cited for failing to demonstrate that it provides sufficient guidance to an institution regarding the institution's notification soliciting public comments when the institution is being considered for accreditation or preaccreditation. In its response, the agency provided its revised Public Notice Template (revision date November 11, 2011), which contains a new paragraph indicating what the comments may address, the timeframe in which it should be published, and the beginning and end dates for submitting comments, providing for at least a 30 day comment period. In the revised introductory paragraph, institutions are told that the notice should be published using the customary medium that the institution ordinarily uses for public notices. These revisions are sufficient to ensure the template is an effective mechanism for obtaining public comment. However, the documentation the agency provided from two institutions did not contain the template paragraph about what the comments could address, nor did it provide the beginning and end dates for submitting comments. In addition, there is no way to verify that either notice was published at least 60 days prior to the site visit and that it provides at a minimum 30 days for comment, in accordance with agency requirements.

The other issue raised in the draft staff analysis was the agency's accreditation of an entity that is not a postsecondary education institution. This came to the Department's attention by means of the documentation provided by the agency related to this criterion. The agency contests the Department's observation that its accreditation of the National Interscholastic Athletic Administrators Association (NIAAA) is contrary to the agency's by-laws. In its response, the agency claims that the Department has mischaracterized NIAAA as being a secondary-level institution. However, that is not the case. Rather, as indicated in the draft staff analysis, the problem is that the NIAAA is not a "higher education institution"; rather, it is an association. The agency's by-laws state that the agency's purpose is "accrediting institutions of higher education in any and all geographic locations authorized by the U.S. Department of Education, including vocational career/technical education institutions, in order to enable those institutions to participate in one or more federal programs under the Higher

Education Act (HEA)." The HEA defines an institution of higher education and a proprietary institution of higher education in 34 CFR sections 600.4 and 600.5. These are entities that, among other things, are legally authorized to provide an educational program beyond secondary education in the State in which the institution is legally located. The agency's accreditation of this organization as a postsecondary education institution, and its continuing lack of understanding of the issue, is a major cause of concern regarding the agency's fundamental lack of understanding of the requirements and expectations of what is postsecondary education accreditation. As an overriding issue, the agency must be able to demonstrate that it understands the requirements and expectation of postsecondary education accreditation and conducts its activities within the scope of its purpose and bylaws.

Staff determination: The agency does not meet the requirements for this criterion. The agency must demonstrate that it has and applies effective procedures for providing for and receiving third party comments concerning an institution's qualifications for accreditation during the accreditation review process.

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**§602.24 Additional procedures certain institutional accreditors must have.**

If the agency is an institutional accrediting agency and its accreditation or preaccreditation enables those institutions to obtain eligibility to participate in Title IV, HEA programs, the agency must demonstrate that it has established and uses all of the following procedures:

**(a) Branch campus.**

**(1) The agency must require the institution to notify the agency if it plans to establish a branch campus and to submit a business plan for the branch campus that describes--**

- (i) The educational program to be offered at the branch campus;**
- (ii) The projected revenues and expenditures and cash flow at the branch campus; and**
- (iii) The operation, management, and physical resources at the branch campus.**

**(2) The agency may extend accreditation to the branch campus only after it evaluates the business plan and takes whatever other actions it deems necessary to determine that the branch campus has sufficient educational, financial, operational, management, and physical resources to meet the agency's standards.**

**(3) The agency must undertake a site visit to the branch campus as soon as practicable, but no later than six months after the establishment of that campus.**

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As a Title IV gatekeeper, NCA CASI is required to have written policy/procedures for branch campuses established by its accredited institutions. Branch campuses as defined by the Department are locations of an institution that are geographically apart and independent of the main campus of the institution. The Secretary considers a location of an institution to be independent of the main campus if the location:

- (1) Is permanent in nature;
- (2) Offers courses in educational programs leading to a degree, certificate, or other recognized educational credential;
- (3) Has its own faculty and administrative or supervisory organization; and
- (4) Has its own budgetary and hiring authority.

The agency's policy on branch campuses does not make it explicitly clear that the location comports with the required characteristics of a branch campus.

While the agency has a policy that addresses the criterion requirement that the institution submit a business plan that includes the components identified in the criterion, the agency provided no evidence of having review protocols and evaluative criteria for conducting an evaluation of the business plan.

The agency provided documents as "An example of branch campus locations being approved and evaluated relates to BIR Training Center in Chicago." It should be noted that this same documentation was provided under approval of additional locations under 602.22. In addition, the documents do not contain a request for approval of a branch campus nor has the institution provided a business plan as part of its application for approval of 2 teaching sites. Further, there is no evidence of the agency's evaluation of the branch campus approval request. While there is evidence that the agency requested additional information, it is not evident how the agency assessed the components of the request.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it has policies and procedures for submitting and reviewing branch campus approvals that are of sufficient depth and breadth to ensure the quality of the branch campus prior to including it in the institution's grant of accreditation.

#### **Analyst Remarks to Response:**

The agency was found noncompliant with this criterion because its policy on branch campuses was not explicitly clear on the characteristics of a branch campus, as defined in Department regulations; it did not provide evidence of having review protocols and evaluative criteria for conducting an evaluation of the business plan; and its documentation was insufficient evidence of its effective application of its policy. In its response, the agency stated that it has revised its

Policy 9.02 to explicitly reference the section of the Department's regulations that contains a definition of a branch campus. This change informs institutions of where to find the definition the agency is using, and at a basic level addresses the first issue raised in the draft staff analysis. Incorporating the definition into the policy itself would be a good practice. The policy states that the agency will conduct a site visit to the institution within six months of "a change in ownership." It needs to be amended to make clear that the site visit will take place within six months of the establishment of the branch campus.

The agency provided documentation of the institution's application to establish a branch campus and the agency's approval of the application, which is the same documentation provided for approval of additional locations under 602.22. The documents contain the request for approval of a branch campus, and information about the physical space, budget, enrollment projections, programs/curriculum, faculty and operations, which taken together constitute a business plan. However, there is no specific documentation of the agency's review of the business plan, and it is not evident how the agency assessed the components of the application.

The agency provided a site visit report and minutes of the Board meeting at which the branch campus application was approved. Together these documents demonstrate that a site visit took place within six months of the establishment of the branch campus.

**Staff determination:** The agency does not meet the requirements of this criterion. The agency must amend its policy to state it will conduct a site visit within six months of the establishment of a branch campus. The agency must demonstrate that it has procedures for evaluating the business plan and other information that are of sufficient depth and breadth to ensure the quality of the branch campus prior to including it in the institution's grant of accreditation.

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**(b) Change of ownership.**

**The agency must undertake a site visit to an institution that has undergone a change of ownership that resulted in a change of control as soon as practicable, but no later than six months after the change of ownership.**

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The agency has a change of ownership policy requiring the institution to notify the agency within 60 days of the change using the substantive change process and requiring within six months of a change in ownership, an NCA CASI team visit to the institution to evaluate the impact of the change of ownership.

The agency has indicated that it has not had an occurrence of a change in ownership.

However, the agency has not demonstrated that it has an effective protocol in place that it can use to conduct site visit caused by a change in ownership to

assess the capacity of the institution to continue to meet agency standards. As noted previously, changes in ownership can have unintended consequences re transfer of accreditation or the emergence of a new institution. The agency is expected to have a documented site visit protocol of sufficient breadth/depth and specificity to identify changes and review the change in ownership and its impact on the institution and its compliance with agency standards.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must document that it has and effectively applies, as appropriate, a site visit protocol of sufficient breadth/depth and specificity to identify changes and review the change in ownership and its impact on the institution and its compliance with agency standards and ensures that a new institution is not created as a result nor does the transaction transfer accreditation.

**Analyst Remarks to Response:**

In the draft staff analysis the agency was determined to have a compliant policy. However, the agency was cited because it did not have a documented site visit protocol of sufficient breadth/depth and specificity to identify changes and review the change in ownership and its impact on the institution and its compliance with agency standards.

In its response, the agency noted that its policies require that it conduct an interim site visit following a change in ownership unless the Board determines that the requested change of ownership warrants a comprehensive site visit. It is not clear whether the interim site visit is in addition to the site visit the agency would conduct within the first six months of a change in ownership. In any case, the agency did not provide information about the protocol for the site visit, as required in the draft staff report. Rather, it asserted that its policies and Evidence Guide are sufficient to provide for an effective review. However, unless the institution is undergoing a comprehensive review, the Evidence Guide, which contains examples of school practices and documentation aligned with the specific standards and indicators, would not contain up-to-date information. Absent a specific protocol, it is not possible to determine whether the agency has an effective means for assessing the impact of the change in ownership on the institution and its compliance with agency standards.

**Staff determination:** The agency does not meet the requirements of this criterion. The agency must document that it has and effectively applies, as appropriate, a site visit protocol of sufficient breadth/depth and specificity to identify changes and review the change in ownership and its impact on the institution and its compliance with agency standards and ensures that a new institution is not created as a result nor does the transaction transfer accreditation.

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**(2) The agency must evaluate the teach-out plan to ensure it provides for the equitable treatment of students under criteria established by the agency, specifies additional charges, if any, and provides for notification to the students of any additional charges.**

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The agency policy under 9.05(d) mirrors this section of the criteria regarding the treatment of students. However, the agency has not demonstrated that it has procedures and agency-developed criteria in place for the review of teach-out plans. Procedures are expected to include, for example, guidance to the institution on what is to be included in the plan, agency-developed criteria by which it reviews and approves the plan only after assessing the viability of the plan with regard to providing equitable treatment of students, any additional charges projected, and the institution's plan to provide notification to the students of those charges.

While the agency indicates it has provided two examples of its compliance under this criterion, the agency did not provide any documentation that demonstrates the agency's review of a teach-out plan that addresses the requirements of this criterion. As well, the teach-out plan provided does not address the requirements of this criterion; the plan does not address additional charges or provide for notification to the students of any additional charges, as required by this section of the criteria or as provided under Section 9.05(d) of the agency's policies.

The demonstration of implementation of the policy fails to show compliance with the agency policies, yet the team determined the school teach-out plan met the requirements. The agency's application of its policies is inconsistent and demonstrates that it will find compliance outside of the policies in an institution that has numerous programs for which students receive Title IV student financial aid.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that it has established and applies procedures and agency-developed criteria in the review of teach-out plans. It also needs to demonstrate that it follows its policies in a consistent manner and bases its determination of compliance on its stated policies, especially when compliance has an effect on the continued eligibility of the institution to participate in the Title IV student financial aid programs for the benefit of its students.

**Analyst Remarks to Response:**

In the draft staff analysis, the agency was cited for not demonstrating that it has established and applies procedures and agency-developed criteria in the review of teach-out plans. In its response, the agency stated that it has revised its Policy 9.05 and that the revised policy includes agency criteria for assessing the viability of the institution's plan to provide equitable treatment of students,

address any projected additional charges, provide students notice of any such additional charges and a procedure for reviewing the institution's teach out-plan, including a site visit that fully reviews the teach-out location referenced in the plan. However, the policy provided by the agency, which is the same as the one provided with the petition, merely states the following:

NCA CASI Postsecondary Office and Board of Directors will evaluate the teach-out plan to ensure it:

- 1) Provides for the equitable treatment of students under the criteria established by the agency.
  - 2) Specifies additional charges, if any.
  - 3) Provides for a notification process to the students of any additional charges.
- It does not include any agency criteria.

The agency did not provide any documentation with its response to the draft staff analysis that demonstrates the agency's review of a teach-out plan that addresses the requirements of this criterion. Documentation provided with the petition was insufficient, as clearly indicated in the staff draft analysis.

**Staff determination:** The agency does not meet the requirements of this section. The agency must demonstrate that it has established and applies agency-developed criteria and procedures in the review of teach-out plans. It also needs to demonstrate that it follows its policies in a consistent manner and bases its determination of compliance on its stated policies.

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**(5) The agency must require an institution it accredits or preaccredits that enters into a teach-out agreement, either on its own or at the request of the agency, with another institution to submit that teach-out agreement to the agency for approval. The agency may approve the teach-out agreement only if the agreement is between institutions that are accredited or preaccredited by a nationally recognized accrediting agency, is consistent with applicable standards and regulations, and provides for the equitable treatment of students by ensuring that--**

**(i) The teach-out institution has the necessary experience, resources, and support services to--**

**(A) Provide an educational program that is of acceptable quality and reasonably similar in content, structure, and scheduling to that provided by the institution that is ceasing operations either entirely or at one of its locations; and**

**(B) Remain stable, carry out its mission, and meet all obligations to existing students; and**

**(ii) The teach-out institution demonstrates that it can provide students access to the program and services without requiring them to move or travel substantial distances and that it will provide students with information about additional charges, if any.**

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The agency has adopted the language of the regulation as its written policy requiring an institution to submit a teach-out agreement. The agency's narrative states that under Policy 9.05, the agency has a "protocol by which teach-out agreements are submitted by the institution, the format of the submittal, and the Agency's review process." The Department's regulation under this section is intentionally broad to enable agencies to develop procedures and review criteria that are applicable to the organization and to the type of accreditation it conducts. Therefore, it does not provide sufficient evidence that the agency has procedures and criteria for evaluating and approving teach-out agreements. For example, in the event of a teach-out agreement, the agency has not addressed how it will assess the stability and ability of the teach-out institution to meet its obligations with the expansion of its educational program.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that it has established and effectively applies procedures and agency-developed criteria in the review of teach-out agreements.

**Analyst Remarks to Response:**

In the draft staff analysis, the agency was cited for not providing sufficient evidence that it has procedures and criteria for evaluating and approving teach-out agreements. In its response, the agency noted that its Policy 9.05f. on teach-out agreements mirrors the regulatory language and that it "provides an appropriate and sufficient basis for reviewing teach-out agreements without the need for more detailed criteria." It also stated that none of its accredited institutions has entered into a teach-out agreement.

As stated in the draft staff analysis, the Department's regulation under this section is intentionally broad to enable agencies to develop procedures and review criteria that are applicable to the organization and to the type of accreditation it conducts. Therefore it does not provide sufficient evidence that the agency has procedures for evaluating and approving teach-out agreements. This is made clear in the Department's "Guidelines for Preparing/Reviewing Petitions and Compliance Reports" which were provided to all agencies.

**Staff determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate that it has established and effectively applies procedures and agency-developed criteria in the review of teach-out agreements.

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**(e) Transfer of credit policies.**

**The accrediting agency must confirm, as part of its review for initial accreditation or preaccreditation, or renewal of accreditation, that the institution has transfer of credit policies that--**

- (1) Are publicly disclosed in accordance with §668.43(a)(11); and**
- (2) Include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education.**

**(Note: This criterion requires an accrediting agency to confirm that an institution's teach-out policies are in conformance with 668.43 (a) (11). For your convenience, here is the text of 668.43(a) (11):**

**"A description of the transfer of credit policies established by the institution which must include a statement of the institution's current transfer of credit policies that includes, at a minimum –**

- (i) Any established criteria the institution uses regarding the transfer of credit earned at another institution; and**
  - (ii) A list of institutions with which the institution has established an articulation agreement."**
- 

The agency has a transfer of credit policy. However, the policy cited does not comply with the requirements of this criterion. While the agency's policy does require that the institution make public its transfer of credit policies and procedures, it is not clear that the agency requires the institution to make public the criteria upon which the institution bases its decision to accept or not accept credits transferred from another institution. The agency needs to establish this requirement in its policies.

What is more troubling regarding the agency's policies is the agency's requirement that institutions shall accept and classify credits earned from other institutions (as defined in the policy) and do so "without further validation." The meaning of "validation" is revealed in the portion of the policy dealing with acceptance of credit from non-accredited institutions as "a review of the student's academic record, an analysis of a sending institution's curriculum, a review of a portfolio of student work, or through an assessment of scholastic performance." It is commonly accepted practice for decisions on transfer of credit to be determined by the institution and is considered to be an institutional prerogative. Nevertheless, if the agency's institutional membership concludes to delegate this authority to the accreditor, the Department has no authority to require the agency to amend its policy on this issue. However, the agency's policy directing its institutions to accept credits "without further validation" when they are awarded by an institution that is accredited by an accreditor recognized by the Department, or a State does not comply with the requirements of this criterion which clearly state that credit transfers are to be based on criteria established by the institution.

The agency's application of its policy to include grade placement is another example of the agency's predisposition to secondary education/accreditation that continues to permeate its accrediting function.

The agency has not sufficiently demonstrated that it has effectively reviewed the transfer of credit requirements of this criterion. The documentation provided in the QAR report for the Greene County School District only notes with a checkmark that the institution has a compliant transfer of credit policy. There is

no evidence of what was reviewed or how the institution complies with the agency policy. The agency has not demonstrated implementation of its current policies and procedures to ensure that the site visit team evaluates an institution for compliance based on the requirements of this section of the criteria.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must amend its policy (1) to require that institutions make public the criteria upon which they base the decision to accept or not accept credits transferred from another institution; (2) to strike its current requirement that institutions accept credits "without further validation" (3) to clearly state that credit transfers are to be based on criteria established by the institution. The agency must also demonstrate its effective application of its transfer of credit policies.

**Analyst Remarks to Response:**

The agency was previously found out of compliance with this criterion. Its policy on transfer of credit did not comply with the criterion and it had not sufficiently demonstrated that it has effectively reviewed the transfer of credit requirements of the criterion. In its response, the agency stated that it had revised its Policy 2.02g by (1) removing all references to "grade placement"; (2) changing the word "shall" to "may" in the provision dealing with acceptance of credit earned at accredited institutions without further validation; and (3) making explicit that an institution must make public any criteria it has established for the acceptance of credit. As amended, the policy is compliant.

The agency submitted additional documentation that demonstrates the agency reviews whether an institution publishes its transfer of credit policies and procedures and whether, and with which institutions, the institution has established articulation agreements. However, the documentation does not demonstrate that the agency's review confirms that the public disclosure includes a statement of the criteria established by the institution regarding the transfer of credit earned at another institution, and a list of institutions with which the institution has established an articulation agreement. The screen shots of the relevant pages from the Document Management Tool had links to the student handbooks of each institution; however, these were not live links, so staff could not confirm the content of the handbooks. Staff checked the websites of both institutions, but were unable to find information about the institutions' transfer of credit policies.

**Staff determination:** The agency does not meet the requirements of this criterion. The agency must demonstrate its effective application of its transfer of credit policy.

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**(2) In reviewing and evaluating an institution's policies and procedures for determining credit hour assignments, an accrediting agency may use sampling or other methods in evaluation, sufficient to comply with paragraph (f)(1)(i)(B) of this section.**

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The agency failed to respond to this criterion.

**Staff Determination:** The agency does not meet the requirements of this section. The agency needs to demonstrate that it has written policies and procedures for conducting credit hour review when evaluating an institution. In addition, the agency needs to demonstrate that it has applied the written policy with documentation.

**Analyst Remarks to Response:**

The agency did not respond to this criterion in its petition, for which the agency was cited. In response to the draft staff analysis the agency provided a copy of its Policy 8.02e, which is the agency's substantive change policy for course additions, deletions, or changes in hours, and the associated Appendix H, entitled "Calculating and Reporting Program Length." The policy addresses a change from clock hours to credit hours, or credit hours to clock hours, and requires an institution to submit a substantive change request when there is a 25%+ increase or decrease in clock or credit hours for successful completion of a program. The appendix makes a distinction between "academic" and "federal" credit hours. The agency defines an "academic credit hour" for semester and quarter credits based on the number of clock hours of lecture, lab work, or work-based learning.

The agency's definition of a "federal credit hour" conforms to the Title IV requirements (which allow for a limited amount of out-of-class work to be considered in converting from clock hours to credit hours, if appropriately documented and supported). The agency's policy requires institutions to have written policies and procedures for determining the amount of out-of-class student work and provides information about the kind of documentation an institution must maintain to support the claim of out-of-class work.

Because the policy and related appendix are associated with substantive changes, it is not clear whether the agency reviews an institution's assignment of credit hours as part of a comprehensive review, as required by this criterion. The agency did not provide any documentation of its application of its policies and procedures to demonstrate its effective review and evaluation of the reliability and accuracy of the assignment of credit hours by its accredited institutions.

**Staff determination:** The agency does not meet the requirements of this criterion. The agency must establish policies and procedures that will establish an effective mechanism for ensuring that institutions' assignment of credit hours

conform with commonly accepted practices in higher education.

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**(3) The accrediting agency must take such actions that it deems appropriate to address any deficiencies that it identifies at an institution as part of its reviews and evaluations under paragraph (f)(1)(i) and (ii) of this section, as it does in relation to other deficiencies it may identify, subject to the requirements of this part.**

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The agency did not respond to this section of the criteria.

**Staff Determination:** The agency does not meet the requirements of this section. The agency needs to demonstrate that it has and applies its policies and procedures requiring the institution to take appropriate action to address any deficiencies at an institution and to demonstrate that it applies its enforcement of its requirements.

**Analyst Remarks to Response:**

The agency did not respond to this criterion in its petition, for which the agency was cited. In response to the draft staff analysis the agency provided a copy of its Policy 8.02e, which is the agency's substantive change policy for course additions, deletions, or changes in hours, and the associated Appendix H, entitled "Calculating and Reporting Program Length." As noted in the analysis of the previous criterion, the agency did not provide any documentation of its review and evaluation of an institution's assignment of credit hours.

**Staff determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it has and applies its policies and procedures requiring the institution to take appropriate action to address any deficiencies at an institution and to demonstrate that it applies its enforcement of its requirements.

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**(4) If, following the institutional review process under this paragraph (f), the agency finds systemic noncompliance with the agency's policies or significant noncompliance regarding one or more programs at the institution, the agency must promptly notify the Secretary.**

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The agency did not provide a response to this criterion.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that it has written policies and procedures compliant with the sections of the criteria pertaining to credit hours and demonstrate that, upon finding the institution has systemic noncompliance with the agency's written policies or has significant non compliance regarding the application of credit hours, will promptly notify the Secretary.

### **Analyst Remarks to Response:**

The agency did not respond to this criterion in its petition, for which the agency was cited. In response to the draft staff analysis the agency provided a copy of its Policy 8.02e, which is the agency's substantive change policy for course additions, deletions, or changes in hours, and the associated Appendix H, entitled "Calculating and Reporting Program Length." As noted in the analysis of 602.24(f)(2), the agency did not provide any documentation of its review and evaluation of an institution's assignment of credit hours.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must demonstrate that it has written policies and procedures compliant with the sections of the criteria pertaining to credit hours and demonstrate that, upon finding the institution has systemic noncompliance with the agency's written policies or has significant non compliance regarding the assignment of credit hours to one or more programs at an institution, will promptly notify the Secretary.

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### **§602.25 Due process**

- (f) Provides an opportunity, upon written request of an institution or program, for the institution or program to appeal any adverse action prior to the action becoming final.**
  - (1) The appeal must take place at a hearing before an appeals panel that--**
    - (i) May not include current members of the agency's decision-making body that took the initial adverse action;**
    - (ii) Is subject to a conflict of interest policy;**
    - (iii) Does not serve only an advisory or procedural role, and has and uses the authority to make the following decisions: to affirm, amend, or reverse adverse actions of the original decision-making body; and**
    - (iv) Affirms, amends, reverses, or remands the adverse action. A decision to affirm, amend, or reverse the adverse action is implemented by the appeals panel or by the original decision-making body, at the agency's option. In a decision to remand the adverse action to the original decision-making body for further consideration, the appeals panel must identify specific issues that the original decision-making body must address. In a decision that is implemented by or remanded to the original decision-making body, that body must act in a manner consistent with the appeals panel's decisions or instructions.**
  - (2) The agency must recognize the right of the institution or program to employ counsel to represent the institution or program during its appeal, including to make any presentation that the agency permits the institution**

**or program to make on its own during the appeal.**

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The agency has written policies and specific procedures to ensure the institution receives due process prior, during, and after an appeal. It has not conducted an appeal since the last recognition.

However, the agency's policies pertaining to the selection of the appeals panel do not comply with the requirements for the composition of an Appeal Panel. While the standing Appeals Panel Committee includes practitioners, educator/academics , administrators, and public representatives, the agency's process of randomly selecting three members from the 5-person Committee to serve on an appeal panel does not guarantee the required composition of a public representative, an academic/educator, an administrator, and a practitioner on the appeal panel.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must establish and effectively apply procedures for the composition of appeals panels that include all of the types of representation required of a decision-making body under the criteria for recognition.

#### **Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided its revised policies related to appeals. Although the agency revised the policy regarding representation, the policy still provides for the random selection of members to serve on an appeal panel and does not guarantee the required composition. More specifically, the agency has not demonstrated that its appeals panel includes both academic and administrative personnel, if the agency is serving as an institutional accreditor for the institution under appeal, or includes both educators and practitioners, if the agency is serving as a programmatic accreditor for the institution under appeal. . Furthermore, the policy states that individuals may satisfy more than one category of representation on the panel. The Department expects that, under usual circumstances, a single individual will fulfill one defined category/role at a time.

**Staff Determination:** The agency does not meet the requirements of this section. It must establish and effectively apply policies and procedures to ensure that the composition of appeals panels include the specific types of representation required of a decision-making body under the criteria for recognition, based on the type of accreditor the agency serves as for the institution.

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#### **§602.26 Notification of accrediting decisions**

**The agency must demonstrate that it has established and follows written procedures requiring it to provide written notice of its accrediting decisions to the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and the public. The agency meets this requirement if the agency, following its written procedures--**

- (a) Provides written notice of the following types of decisions to the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and the public no later than 30 days after it makes the decision:**
- (1) A decision to award initial accreditation or preaccreditation to an institution or program.**
- (2) A decision to renew an institution's or program's accreditation or preaccreditation;**
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The agency's policy provides for it to send notification of any final decision to grant initial or continuing accreditation or candidacy status to an institution to the United States Secretary of Education, appropriate state agencies, and other appropriate accrediting agencies at the same time as the institution or within five (5) days of the subject action. In addition, the agency policy states that it will notify the public on the NCA CASI web page within 24 hours of institution notification. The agency documentation only demonstrates that it sent notifications to institutions of the positive decisions, and to the Department. However, the documentation the agency submitted does not indicate that other accrediting agencies and state authorizing agencies received notifications of the agency's positive accrediting decisions as provided by its policies.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency needs to demonstrate the implementation of its policies with documentation indicating that it has notified state authorization agencies and other accrediting agencies of positive accrediting actions granting preaccreditation, initial accreditation, and reaccreditation.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided accreditation action announcements, which include the notification of positive accrediting decisions. The announcements state that recipients include "Accrediting bodies affiliated with NCA Postsecondary Accredited Schools" and "State Department of Education Officials"; however the specific recipients are not listed and therefore, a determination cannot be made that the notice was provided to the appropriate entities.

In addition, only one announcement includes documentation that it was sent to entities required by this section. Therefore, the documentation of written notice sent in one instance does not demonstrate that the agency has implemented its

policy and notified all the entities required by this section.

Staff determination: The agency does not meet the requirements of this section. It must demonstrate implementation of its policy to provide written notice of positive accreditation decisions to the appropriate accrediting agencies and appropriate State licensing or authorizing agency.

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**(b) Provides written notice of the following types of decisions to the Secretary, the appropriate State licensing or authorizing agency, and the appropriate accrediting agencies at the same time it notifies the institution or program of the decision, but no later than 30 days after it reaches the decision:**

- (1) A final decision to place an institution or program on probation or an equivalent status.
  - (2) A final decision to deny, withdraw, suspend, revoke, or terminate the accreditation or preaccreditation of an institution or program;
  - (3) A final decision to take any other adverse action, as defined by the agency, not listed in paragraph (b)(2) of this section;**
- 

The agency policies allow the board to place an institution on "probationary" status after the agency has granted the institution an extension for good cause, if the institution fails to come into compliance with one or more standards while on Accreditation Warned status. The agency's documentation does not demonstrate that it notified State authorizing agencies or other accrediting agencies of its negative decision to place an institution on probation.

Based on the documentation provided regarding a final decision to deny, withdraw, suspend, revoke, or terminate an institution's accreditation or preaccreditation, the agency policy complies with the criteria, but the agency has failed to notify all entities required by this criterion of its negative actions.

Staff Determination: The agency does not meet the requirements of this criterion. The agency needs to demonstrate that it has fully implemented this criterion and its policy with documentation that demonstrates it provides timely notifications to all of the entities listed in this criterion listed in section (b)(1), (2), and (3).

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided two documents regarding the notification of negative accrediting decisions.

The documents, a letter addressed to the Department and an accreditation action announcement, do not include any documentation that they were sent. Also, the accreditation action announcement states that recipients include

"Accrediting bodies affiliated with NCA Postsecondary Accredited Schools" and "State Department of Education Officials"; however the specific recipients are not listed and therefore, a determination cannot be made that the notice was provided to the appropriate entities.

In addition, the documents provided include notification of institutions on probation and whose accreditation action is "drop", but do not clearly include the notification of decisions to deny, withdraw, suspend, or terminate accreditation or preaccreditation of an institution or to place an institution on warned status, as required by this section and included in the agency's policy.

Therefore, this limited documentation of written notice does not demonstrate that the agency has implemented its policy and notified all the entities of all the negative decisions, as required by this section.

Staff determination: The agency does not meet the requirements of this section. It must demonstrate implementation of its policy to provide written notice of negative accreditation decisions to all the entities required by this section.

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**((d) For any decision listed in paragraph (b)(2) of this section, makes available to the Secretary, the appropriate State licensing or authorizing agency, and the public, no later than 60 days after the decision, a brief statement summarizing the reasons for the agency's decision and the official comments that the affected institution or program may wish to make with regard to that decision, or evidence that the affected institution has been offered the opportunity to provide official comment; and**

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Although the agency's policy provides for the institution to provide comment when the Board makes a negative decision, the notification to the Maplewood school failed to emphasize its right to make a comment on the decision. Instead, the tenor of the letter informs the institution to ask questions about the decision. The decision letter discouraged comment contrary to the intent of this criterion and the agency's policy.

Staff Determination: The agency does not meet the requirements of this section of the criteria. The agency needs to revise its letter to inform institutions receiving a negative decision that it has an opportunity to comment on the decision within a specified date provided in its policy.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided documentation of its revised adverse action letter, which includes the opportunity for the institution to make comments with regards to the accreditation decision. However, the language in the revised letter does not clearly indicate that these comments are official in nature nor that the comments would be provided to the Secretary, the appropriate State licensing or authorizing agency, and the public.

In addition, the agency provides 60 days for the institution to comment on the decision, but that 60-day opportunity does not allow for the agency to provide a brief statement summarizing the reasons for the agency's decision and the official comments no later than 60 days after the decision, as required by this section.

**Staff determination:** The agency does not meet the requirements of this section. It must demonstrate that it clearly allows the affected institution to provide official comment regarding the negative decision. The agency must also demonstrate that it provides a brief statement of the agency's decision and the official comments of the institution, to the entities listed in this section, no later than 60 days after the decision.

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**(e) Notifies the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and, upon request, the public if an accredited or preaccredited institution or program--**

- (1) Decides to withdraw voluntarily from accreditation or preaccreditation, within 30 days of receiving notification from the institution or program that it is withdrawing voluntarily from accreditation or preaccreditation; or
  - (2) Lets its accreditation or preaccreditation lapse, within 30 days of the date on which accreditation or preaccreditation lapses.
- 

The agency's policies conform to the sections of this criterion.

The agency's documentation applicable to section (e)(1) regarding an institution's voluntary withdrawal does not indicate that the institution was preaccredited or accredited by the agency, rather it indicates that the institution did not want to pursue preaccreditation affiliation with the agency, and does not appear to have had a status with the agency. Any notification, if provided to the named entities, does not apply to this criterion. The criterion applies to institutions that have an affiliation status with the agency. The agency states it does not have experience with an institution allowing its accreditation status to lapse. However, the agency's petition materials suggest that at least 2 additional schools have either let their accreditation/pre-accreditation lapse or voluntarily withdrawn. The agency has not provided documentation of its application of its policies.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency needs to demonstrate application of its policies related to an accredited or preaccredited institution voluntarily withdrawing its accreditation status or letting it lapse and the subsequent notice the agency provides to the entities named in this criterion.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided two documents concerning the notification of voluntary withdrawal - an accreditation action notification email and another email dialogue regarding an institution. The accreditation action notification email includes email addresses, but does not include the specific recipients; therefore, a determination cannot be made that the notice was provided to the appropriate entities. For the email dialogue, there are no State licensing or authorizing agencies or accrediting agencies listed as recipients and no narrative to provide clarification for the omission, so a determination cannot also be made for this example that the notice was provided to the appropriate entities, as required by this section.

The agency provided the timestamp on the website for the public notification of the voluntary withdrawals, as well as the other documentation listed above, but that notification does not demonstrate that the notification occurs within 30 days of receiving withdrawal notification, as the notification from the institution was not provided.

**Staff determination:** The agency does not meet the requirements of this section. It must demonstrate implementation of its policy to provide written notice of voluntary withdrawals of accredited or preaccredited institutions to all the entities required by this section within 30 days of receiving notification.

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**§602.27 Other information an agency must provide the Department.**

(a)(6) The name of any institution or program it accredits that the agency has reason to believe is failing to meet its Title IV, HEA program responsibilities or is engaged in fraud or abuse, along with the agency's reasons for concern about the institution or program; and

(a)(7) If the Secretary requests, information that may bear upon an accredited or preaccredited institution's compliance with its Title IV, HEA program responsibilities, including the eligibility of the institution or program to participate in Title IV, HEA programs.

(b) If an agency has a policy regarding notification to an institution or program of contact with the Department in accordance with paragraph (a)(6) or (a)(7) of this section, it must provide for a case by case review of the circumstances surrounding the contact, and the need for the confidentiality of that contact. Upon a specific request by the Department, the agency must consider that contact confidential.

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The agency reports that it received notification from a State agency informing NCA CASI that one of its accredited institutions offers degree levels for which the agency is not recognized. The information received from the state agency implied that the institution possibly was engaging in fraud and abuse in receiving federal Title IV funds based on degree levels not included in the institution's grant of accreditation or in the agency's scope of recognition. The agency has indicated that it has handled the information from the state agency as a complaint, for which it has not yet received a response from the institution. Based on the information provided in the petition and the agency's response, it appears that the agency did not notify the Department of the potential of fraud/abuse and possible failure to comply with its federal student financial aid responsibilities.

The agency has been aware of the requirement of this criterion, as it has initiated new policies on the issue. However, the agency's policies on this issue are written in a manner that suggests that the agency does not understand the requirements of this section. For example, the agency policy under (d) indicates that it will notify the Department, appropriate state agencies, and other appropriate accrediting agencies, and the public of the name of any institution it believes is engaged in fraud and abuse, at the same time it notifies the institution. That said, the agency has also adopted a policy that it will review on a case-by-case basis the circumstances surrounding the allegations of fraud/abuse and the need for confidentiality. This does not, however, relieve the agency from its responsibility as a Title IV gatekeeper to contact the Department before contacting the institution. The agency's lack of understanding and sensitivity to the implications and potential consequences raises the question of the agency's ability to safeguard public funds and act as a gatekeeper of public funds.

**Staff Determination:** The agency does not meet the requirements of this criterion. The agency must revise its policies in a manner that demonstrates it understands its responsibilities and demonstrate that it adheres to its responsibilities as a Title IV gatekeeper.

#### **Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided the revised section of its policy concerning notifications to the Department, to include language to suggest approval from the Department prior to transmitting any communications concerning the allegations to an accredited institution that the agency has reason to believe is engaged in fraud or abuse. The agency acknowledged that the policy previously submitted to demonstrate compliance with this section was erroneous; however the revised policy language limits the prior approval from the Department to institutions the agency believes to be engaged in fraud or abuse, but does not include those failing to meet Title IV, HEA program responsibilities, as required by this section.

In addition, the revised policy is included in Policy 16.01 and the introduction in that section states "The NCA CASI Postsecondary Office shall submit the following documentation to the United States Secretary of Education, appropriate state agencies, and other appropriate accrediting agencies at the same time the institution is notified within five (5) days of the subject action. The public will be notified on the NCA CASI web page within 24 hours of institution notification." The continued inclusion this specific policy within this broader notification policy creates a contradictory situation and is both misleading and inconsistent with a recognized agency's fiduciary responsibilities to the Department and the public, as summarized in this section.

The agency also stated that it takes its role and responsibilities as a Title IV gatekeeper seriously. The agency provided a response concerning an institution in West Virginia and stated that there was no allegation of fraud or abuse, and therefore no reason to notify the Department.

However, the documentation previously submitted and reviewed by the Department in this section was for an institution in Illinois. In that documentation, the official from the Illinois Board of Higher Education clearly indicates that the institution was involved in deceptive reporting practices to the Department and was possibly engaged in in fraud and abuse in receiving federal Title IV funds based on degree levels not included in the institution's grant of accreditation or in the agency's scope of recognition. And, since the agency processed the notice as a complaint and conducted an investigation, to include notice and response by the institution, the agency's actual notice to the Department is not simultaneous, but long after, notice to the institution. As the agency did not provide a response or any additional information concerning this institution, it has not demonstrated that it notifies the Department of the potential of fraud or abuse by an institution or that it complies with its federal student financial aid responsibilities.

**Staff Determination:** The agency does not meet the requirements of this criterion. It must revise its policies to meet the requirements of this section. The agency must also demonstrate that it understands and adheres to its responsibilities as a Title IV gatekeeper.

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#### **§602.28 Regard for decisions of States and other accrediting agencies.**

- (a) If the agency is an institutional accrediting agency, it may not accredit or preaccredit institutions that lack legal authorization under applicable State law to provide a program of education beyond the secondary level.
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The agency has a written policy that indicates it will not grant preaccreditation or accreditation to any institution that lacks legal authorization to provide a program of education beyond the secondary level under state law. Additionally, the agency policy provides that if the State approval agency or another recognized institutional accrediting agency removes the institution's approval or accreditation, the institution "will become subject to being dropped from accreditation in accordance with the agency's procedures. The Department previously notified the agency that its decision of whether to accredit an institution under the circumstances in this criterion must be unequivocal. The current policy represents an improvement over the prior policy by incorporating that the agency will use and apply written procedures. However, the agency has not made a statement that unequivocally states that it will not accredit an institution that lacks state authorization to offer education beyond the secondary level, a basic eligibility requirement.

**Staff Determination:** The agency does not meet the requirements of this section of the criteria. The agency must amend its policy to state unequivocally that it will not accredit any institution that lacks state legal authorization and demonstrate its adherence to its policy, as appropriate.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided its revised substantive change policy (8.02b), which refers to a change in the legal status of the institution. The revised policy clearly states that the agency will withdraw accreditation should an institution lose its state authorization.

However, the agency did not provide any revision to the State compliance requirement policy (2.02a) submitted previously to state unequivocally that it will not accredit any institution that lacks state legal authorization.

The agency did not provide any examples to demonstrate implementation of the policy.

**Staff determination:** The agency does not meet the requirements of this section. It must amend all related policies to state unequivocally that it will not accredit any institution that lacks State legal authorization. The agency must provide documentation to demonstrate that the agency confirms that its accredited institutions have legal authorization under applicable State law to provide a program of education beyond the secondary level.

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- (e) The agency must, upon request, share with other appropriate recognized accrediting agencies and recognized State approval agencies information about the accreditation or preaccreditation status of an institution or program and any adverse actions it has taken against an accredited or preaccredited institution or program.**
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The requirement of this criterion is that a recognized accrediting agency must, upon the request of another appropriate recognized accrediting agency, share information regarding the accreditation status of one of its institutions or programs and any adverse actions it has taken.

While the agency's written policy does suggest that it will share information (by the fact that it will establish procedures for sharing information), it does not make it explicitly clear that the agency will provide the information regarding the accreditation status required by this criterion. Neither does the agency's policy, which indicates that the agency will develop procedures for sharing information "on a regular basis", comply with the requirement of this criterion to provide that information "upon request."

The agency has not provided evidence that it has established any procedures for the sharing of information, nor has it provided evidence of sharing information as a result of the request by another accreditor or state agency.

**Staff Determination:** The agency does not meet the requirements of this section. It must establish policy that makes it explicitly clear that the agency will provide the information regarding the accreditation status as required by this criterion and share information "upon request." The agency must also provide evidence that it has established procedures for the sharing of information, and demonstrate that it has effectively applied them.

**Analyst Remarks to Response:**

In response to the draft staff analysis, the agency provided its revised policy concerning information-sharing, to include language that clearly states that the agency will share the accreditation status information required by this section upon request with other appropriate recognized accrediting agencies and recognized State approval agencies.

Although the agency indicated that it has not had the occasion to apply its information-sharing policy, it did not provide evidence that the agency has established procedures in place for the sharing of information, should the agency need to apply the policy in the future.

**Staff Determination:** The agency does not meet the requirements of this section. It must provide evidence that it has established procedures for the sharing of information.

**PART III: THIRD PARTY COMMENTS**

The Department did not receive any written third-party comments regarding this agency.